中國信息科技發展有限公司

China Information Technology Development Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8178)

2023 Annual Report

CHARACTERISTICS OF GEM (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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 (the "Directors") of China Information Technology Development Limited (the "Company" or "CITD") 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 (the "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.

This report will be available on the Company's website http://www.citd.com.hk and will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at http://www.hkexnews.hk for at least 7 days from the date of its posting.

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)
Mr. Chang Ki Sum Clark

NON-EXECUTIVE DIRECTOR

Hon. Li Sai Wing, *JP, MH*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hung Hing Man
Mr. Wong Hoi Kuen
Dr. Chen Shengrong

COMPANY SECRETARY

Ms. Lam Mei Wai Michelle

COMPLIANCE OFFICER

Mr. Chang Ki Sum Clark

AUTHORISED REPRESENTATIVES

Mr. Chang Ki Sum Clark
Ms. Lam Mei Wai Michelle

NOMINATION COMMITTEE

Mr. Hung Hing Man *(Chairman)*
Mr. Wong Hoi Kuen
Dr. Chen Shengrong

REMUNERATION COMMITTEE

Mr. Wong Hoi Kuen *(Chairman)*
Mr. Hung Hing Man
Dr. Chen Shengrong

AUDIT COMMITTEE

Mr. Hung Hing Man *(Chairman)*
Mr. Wong Hoi Kuen
Dr. Chen Shengrong

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
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Hong Kong

LEGAL ADVISOR

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Public Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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REGISTERED OFFICE

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Corporate Information

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
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STOCK CODE

8178

COMPANY WEBSITE

www.citd.com.hk

Chairman's Statement

Dear Shareholders,

I am pleased to present the annual results of China Information Technology Development Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2023 (the "Year").

FINANCIAL SUMMARY

During the Year, the Group recorded a revenue of approximately HK$49,228,000, representing a decrease of approximately 17.0% from approximately HK$59,324,000 in the year ended 31 December 2023 (the "Corresponding Year"). The gross profit for the Year amounted to approximately HK$22,568,000, which represented a gross profit margin of approximately 45.8% (2022: approximately 29.3%), an increase compared to the Corresponding Year. The increase in gross profit margin is mainly due to the Group had been focusing on provision of IT services during the Year.

Loss for the Year attributable to the equity owners of the Company was approximately HK$20,876,000 (2022: loss of approximately HK$82,548,000). The decrease in loss is mainly due to (i) decrease in fair value loss on the investment properties from approximately HK$49,393,000 in 2022 to approximately HK$5,536,000 in 2023; (ii) gain on disposal of a subsidiary of approximately HK$7,156,000 during the Year; and (iii) decrease in finance costs from approximately HK$11,545,000 in 2022 to approximately HK$5,589,000 in 2023. The Group's results are discussed in detail under the section headed "Management Discussion and Analysis" in this annual report.

REVIEW AND OUTLOOK

The Hong Kong Government has been proactive in developing Hong Kong into an international innovation and technology hub. The Chief Executive's Policy Address 2022 formulated a number of key policies to promote innovation and technology, including (i) formulating the Hong Kong Innovation and Technology ("I&T") Development Blueprint which clearly sets out future development for Hong Kong; (ii) actively attracting I&T talents around the globe to Hong Kong; (iii) enhancing I&T infrastructure facilities such as the development of the Hong Kong-Shenzhen I&T Park, San Tin Technopole in the Northern Metropolis and the expansion of Science Park and Cyberport; (iv) earmarking HK$10 billion for the provision of more comprehensive support for research and development in life and health technology; and (v) enhancing support for start-ups.

Alongside with the supportive measures of the Hong Kong Government, it was encouraging to see various places around the world like United Arab Emirates ("UAE") etc are proactive to attract overseas investments on IT especially artificial intelligence ("AI") developments. For example, it is expected that IT spending across the banking, financial services and insurance and energy verticals will account for a major share (43%) of the overall IT spending in the UAE by 2024. AI, specifically, is forecast to play a role to contribute almost 14% of the its national GDP by 2030 ($96 billion), and the annual growth in the AI contribution to the UAE economy is forecast to grow by 33.5% between 2018 and 2030. Abu Dhabi, for instance, has focused on digital asset native activities, introducing the world's first Distributed Ledger Technology (DLT) Foundations Regime, providing a framework in collaboration with industry participants to create a legal structure for blockchain foundations and decentralized autonomous organizations, allowing entities to set-up without bylaws, enabling a variety of governance methods, including token voting and the use of smart contracts. The Group envisioned that areas like UAE will become the focal point of technology space in the international arena.

Chairman's Statement

With the economic volatility in 2023, the Group has strategically taken a prudent approach while broadening the Company's income stream. The Group has demonstrated our determination to focus on strengthening our existing AI businesses. The Group has disposed two subsidiaries, which held a property located in Nansha District, Guangzhou and engaged in money lending business respectively, so that the Group could realize the investment and allocate its resources in the further exploration and development of AI and cloud technological products and/or investment projects with better prospects or higher growth potential that will best serve the interests of the Company and the Shareholders in the long run.

The ongoing transformation and innovation of the industry has driven us to reinforce our IT knowledges technologies including but not limited to AI, Web3.0, blockchain, big data etc, to cater the customer demand and enhance our business performance. The Group has therefore allied and collaborated with various experts in IT and other industries and looked for potential acquisitions for synergies without affecting too much of the Group's cashflow and resources. The Group had set up joint venture which engages in the ownership and management of an e-Commerce platform and its respective membership and reward points program, namely Petaverse which focuses on the sales and marketing of pets-related products in the real world and in the Metaverse. We had also partnered with another company listed on the Stock Exchange to explore tokenization of corporate bonds. Not only did it showcase the Group's strengths in blockchain and Digital Ownership Tokens (DOTs) and played a pivotal role in the development of tokenization, it also harnesses the benefits of tokenization and revolutionize the corporate bond landscape, while enhancing efficiency and accessibility in financial markets. It is believed that these strategic partnerships and collaborations allow us to explore the applications of our advanced AI technology in traditional products and services and also aligns with the Company's business plan of developing and refining our AI technology and business with diversified risk and reduced investment cost.

Upholding such business strategies, in 2023, the two major subsidiaries, Macro Systems Limited ("Macro Systems") and DataCube Research Centre Limited ("DataCube") had achieved encouraging business performance. DataCube's cooperation with a mass rapid transit company was one of the few testimonies of our successful AI technological developments.

Stepping into the year to come, with wars wreaking havoc around the world and interest rate is expected to remain high for extended time, the market sentiment and macro economy is anticipated to be uncertain. The Company shall continue to anchor the Group's leading position in the IT solutions industry in Hong Kong and establish the competitive edge for the Company, through selective acquisitions and strategic alliances that will further complement or synergize with its existing businesses while being cautious to the market conditions. With the hard work laid in 2023, the Group shall continue with the approach and is committed to making appropriate business and investment decisions as and when appropriate in light of the Company's business plan and the market conditions to create greater value to the Company and its Shareholders.

APPRECIATION

I would like to take this opportunity to extend my sincere gratitude to the shareholders of the Company ("Shareholders"), customers and business partners of the Group for their continuous support and trust and thank my fellow directors for their concerted effort and insights throughout the past years. We treasure the efforts from the Group's management team and the unwavering commitment of our staff. On behalf of the Board, I would like to express my sincere appreciation to our management team and staff for their dedication and commitment.

Wong King Shiu, Daniel
Chairman and Chief Executive Officer
China Information Technology Development Limited

THE BOARD'S RESPONSE TO THE QUALIFIED OPINION

The View of the Board and the Audit Committee on the Qualified Opinion

The auditor expressed a qualified opinion in the independent auditors' report on the Group's financial statements for the year ended 31 December 2023 (the "Independent Auditors' Report"). As stated in the "Basis for Qualified Opinion" section in the Independent Auditors' Report, the basis for the auditor to express a qualified opinion arose from the auditor not being able to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the technical knowhow license and servicing agreement (the "Subcontract Agreement") the Group entered into with a service provider for the development of technical knowhow upon which the Group would provide the relevant technical knowhow services to two customers pursuant to the technical knowhow license and servicing agreements (the "Servicing Agreements") the Group entered into with them.

The Board and the audit committee of the Board have reviewed and agreed with the qualified opinion on the Independent Auditors' Report (the "Audit Qualification"). Below sets out the view of the Board and the Audit Committee in relation to the Audit Qualification and the proposed plan to address the Audit Qualification.

Details of the basis of the Audit Qualification

The Group entered into the Servicing Agreements in November 2022 to provide technical knowhow and related services with contract sum of USD87 million and service period of 3 years.

During the year ended 31 December 2023, the Group received advances in the form of cryptocurrency amounting to Tether ("USDT") 12,028,000 and Binance USD ("BUSD") 62,000 (equivalent to approximately HK$94,299,000) from the two customers. The Group also engaged the service provider for the development of such technical knowhow and deposited to the service provider in the form of cryptocurrency amounting to USDT12,028,000 and BUSD62,000 (equivalent to approximately HK$94,299,000). During the year ended 31 December 2023, certain portion of the services were provided and delivered to the customers. The revenue of USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (USDT12,028,000 and BUSD62,000) were recorded on a net basis since management considered the Group acts as an agent in these transactions. The two customers requested the consideration to be settled in cryptocurrency and the Company and the service provider agreed to such arrangement.

In November 2023, the management of the Group has decided to terminate the Servicing Agreements and the Subcontract Agreement. The Group had been in discussion with a public transport company on collaboration and obtained the tender in 2023 for provision of certain technology. The consideration for the tender project is in cash. Going forward, the Group would like to collaborate with reputable public transport companies to enhance the Group's reputation and generate value to the Group and its shareholders. In view of the foregoing and considering the payment settlement method and to utilize the resources of the Group more efficiently and effectively, the Group considered that the tender project was preferred and therefore terminated the Servicing Agreements and the Subcontract Agreement.

Management View And Position On the Audit Qualification

The Company considered that it has made its best endeavours to provide all the available information and documents for audit purpose in order for the auditor to understand the business rationale for entering into and terminating the Servicing Agreements and the Subcontract Agreement and to verify the transactions recorded during the year. Nevertheless, the Company was unable to provide all the information and documents requested by the auditor. The information and documents requested mainly includes the business plan for the projects, budgets, profit analysis, test trials and system details of the technical knowhow, the Servicing Agreements, the Subcontract Agreement and the corporate approvals for entering thereto, correspondence with the customers at negotiation stage of the Servicing Agreements, throughout implementation of the projects and at termination, analysis including manpower plan and potential loss for termination of the Servicing Agreements and Subcontract Agreement, the correspondence between the Company and the service provider and the correspondence between the service provider and the Company's customers.

The Company was unable to provide the budgets, manpower plan and profit analysis for its engagements with its customers and the service provider as well as the test trials and system details of the technical knowhow and the correspondence between the service provider and the Company's customers. The service provider provided the technical knowhow services to the two customers directly and so the Company was unable to provide the test trials and system details of the technical knowhow and the requested correspondence.

The Company was unable to provide the other requested documents due to deficiencies in internal control and has implemented certain remedial measures to address the deficiencies and avoid re-occurrence of the same. Details of the remedial measures are set out in the section headed "Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented" in the corporate governance report of this annual report.

In preparation of the Group's financial statements for the year ended 31 December 2023, the management took into consideration the following factors in arriving at its position:

1. the discussion between the Group and the two customers regarding the Servicing Agreements, the entering into of the agreements, the services provided and the payment thereof;

2. the discussion between the Group and the service provider regarding the Subcontract Agreement, the entering into of the agreement, the services provided thereunder and the payment thereof; and

3. the interviews and meetings conducted by the auditor with the customers and the service provider in relation to their business relationship and projects with Datacube.

Audit Committee's View on the Audit Qualification

The audit committee of the Company discussed with the auditor and enquired management of their position and basis of assessment. The audit committee reviewed the audit modifications and understood that the auditor was unable to obtain all the requested audit evidence to verify the nature of the transactions. The audit committee also reviewed and understood the position of the management and agreed with the view of the management's position and basis.

Impact On The Company's Financial Position And Plan To Address the Audit Qualification

The board and the audit committee understand, after discussion with the auditor, that the Audit Qualification will continue to exist in the Company's consolidated financial statements for the year ending 31 December 2024 for its comparative figures on the consolidated statement of profit or loss for the year ended 31 December 2023 and will be fully removed in the Company's financial statements for the year ending 31 December 2025. Considering the reasons for the Audit Qualification, the Company has reviewed its internal control and implemented certain remedial measures to address the deficiencies. Further details of the deficiencies and remedial measures implemented are set out in the section headed "Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented" in the corporate governance report of this annual report. The implementation of the internal control remedial measures will assist the Company to provide the required audit evidence and support to the auditor for the audit of the financial statements of the Group in the future and avoid re-occurrence of the reasons causing the Audit Qualification.

BUSINESS OVERVIEW

During the year ended 31 December 2023, the Group has continued to develop steadily, preparing ourselves to face the challenges ahead while grabbing the golden opportunities for the sustainable growth of the Group. The Group had continued to dedicate its effort in developing innovative and advanced technology especially in fields like AI, Web 3.0 and cloud technologies while cautiously controlled and allocated our resources efficiently and took appropriate corporate actions according to the market conditions.

During the Year, the Group persistently strived to improve the financial position of the Company while persevere in developing the existing businesses of the Group. The Company had grabbed various opportunities to collaborate with other calibers in the industry (e.g.: in Web 3.0, blockchain and autostereoscopic 3D technology etc) to extend our client network as well as to enhance the Group's existing IT solutions services and to create synergy with the integration of various AI self-developed by the Group through the collaborations.

Share Swap Agreement involving the issue of Shares Under the General Mandate

On 12 October 2022, the Company entered into a non-legally binding memorandum of understanding ("MOU") with Marvion Holdings Limited (the "Swap Shareholder"), pursuant to which the Company would swap shares up to 4.9% of the enlarged share capital of Company in exchange for shares of the Swap Shareholder and/or shares of its parent company.

On 25 October 2022, the Company entered into the share swap agreement (the "Share Swap Agreement") with Bonanza Goldfields Corp. ("Bonanza"), a company incorporated in the State of Nevada, the USA of which the issued shares are traded in the OTC. Pursuant the Share Swap Agreement, the Company will swap its 26,520,387 Shares (each share at HK$0.135) (the "CITD Shares") for a total of 218,574,618 Shares of Bonanza (each share at US$0.0021) to be allotted and issued by Bonanza. The total consideration for the transaction is approximately HK$3,580,252 (equivalent to approximately US$459,007). The CITD Shares will be allotted and issued under the general mandate granted to the Board in the annual general meeting held on 30 June 2022 (the "Share Swap").

The entering into of the Share Swap Agreement will allow the Company and Bonanza to become strategic alliance with a shareholding stake in each other, which will allow the Company and Bonanza to share their experience and expertise in artificial intelligence, blockchain and DOT with each other.

As application of the metaverse and virtual reality, both premised on artificial intelligence technologies, have become increasingly known and popular with many companies and institutions seeking to adopt and leverage these technologies, the Company considers that there would be an ever increasing demand for Bonanza's services and the Company sees much growth potential in the value of BONZ Shares. The Share Swap Agreement represents an investment opportunity of the Company to invest in Bonanza without cash outflow and will enhance the cooperation between the Company and Bonanza.

The Share Swap has been completed on 17 April 2023. The Company had allotted and issued 2,652,038 CITD Shares, representing approximately 4.29% of the issued share capital of the Company immediately upon completion of the Share Swap, to Marvion Group Limited ("Marvion"), a wholly-owned subsidiary of Bonanza, at the agreed price of HK$1.35 per CITD Share. The CITD shares were allotted and issued to Marvion upon the share consolidation of the CITD shares becoming effective on 5 December 2022, on the basis of 10 existing shares for 1 consolidated share. Simultaneously, Bonanza has allotted and issued 218,574,618 BONZ Shares to the Company, representing approximately 0.15% of the enlarged issued share capital of Bonanza immediately upon completion of the Share Swap, at the subscription price of US$0.0021 (equivalent to approximately HK$0.01638) per BONZ Share.

Details of the MOU and Share Swap Agreement are set out in the announcements dated 20 October 2022, 25 October 2022, 26 October 2022 and 17 April 2023 respectively.

Major Transaction in Relation to Disposal of the Entire Equity Interest in the Target Company and Assignment of the Sale Loan

On 3 March 2023, Soar High Investment Holding Limited, an independent third party (as defined by GEM Listing Rules) as purchaser ("Soar High") and Gorgeous Ocean Global Limited, a direct wholly-owned subsidiary of the Company as Vendor (the "Vendor"), entered into a disposal agreement (the "Disposal Agreement"), pursuant to which, the Vendor has conditionally agreed to sell the entire issued share capital of Rosy Ridge Investments Limited (the "Target Company") and to assign the sale loan owing or incurred by the Target Company and its subsidiaries and Guangzhou Dehuang Investment Company Limited(廣州市德煌投資有限公司)to the Group ("Sale Loan") to Soar High, and Soar High has conditionally agreed to acquire the entire issued share capital of the Target Company and take up the assignment of the Sale Loan at the consideration of HK$28,000,000. Upon Completion, the Group will cease to hold any interest in the Target Company (the "Proposed Disposal").

As one or more of the relevant applicable percentage ratios in respect of the Disposal Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Disposal Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the notification, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

The said Proposed Disposal was approved by Shareholders in the extraordinary general meeting ("EGM") on 28 April 2023.

Details of the Proposed Disposal and the Disposal Agreement are set out in the announcements dated 3 March 2023 and 28 April 2023 and the circular dated 31 March 2023.

Memorandum of Understanding with Autostereoscopic 3D Limited

On 10 March 2023, the Company entered into a non-legally binding Memorandum of Understanding (the "MOU") with Autostereoscopic 3D Limited (the "3DT"). The MOU would be an expression of agreement between the Company and 3DT on the collaboration. In this connection, it is recognized that the combination of the use of proprietary AI technologies and big data database held by the Company will proliferate the 3D autostereoscopic technologies currently owned by 3DT.

The MOU is at-will and may be modified by mutual consent of authorized officials from the Company and 3DT. The MOU shall become effective upon signature by the authorized officials from the Company and 3DT and will remain in effect until modified or terminated by any one of the parties by mutual consent. In the absence of mutual agreement by the authorized officials from the Company and 3DT, the MOU shall end within one (1) year from the date of signing of the MOU, unless formal agreement is to be entered into between the parties which shall then supersede the MOU.

Details of the MOU and the collaboration are set out in the announcement dated 10 March 2023.

Placing of New Shares Under General Mandate

On 14 March 2023, the Company and Grand China Securities Limited (the "Placing Agent"), entered into the placing agreement ("Placing Agreement"), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 7,642,000 placing shares ("Placing Share(s)"), to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the Placing Price of HK$1.93 per Placing Share ("Placing"). The closing price of the Company's shares on 14 March 2023 was HK$2.410.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

On 4 April 2023, all the conditions set out in the Placing Agreement have been fulfilled. The Placing was completed on 4 April 2023 in accordance with the terms of the Placing Agreement. An aggregate of 7,642,000 Placing Shares, representing approximately 12.93% of the issued share capital of the Company immediately after completion of the Placing, have been successfully placed to not less than six Placees at the Placing Price of HK$1.93 per Placing Share.

The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) were approximately HK$14.34 million. As at the date of this report, the Company had been fully utilized as intended to (i) approximately HK$7.6 million of the net proceeds to support the development of the IT infrastructure solutions business; (ii) approximately HK$3.4 million to repay the loan from a shareholder; and (iii) the remaining net proceeds had been used for general working capital purpose of the Group.

Details of the Placing and Placing Agreement are set out in the announcements dated 14 March 2023 and 4 April 2023.

Advance to Entity

On 31 December 2021, the Company and Guangzhou Deyong Technology Investment Co., Ltd.(廣州市德永科技投資有限公司)("Deyong") entered into supplemental agreements with Guangzhou Dehuang Investment Company Limited(廣州市德煌投資有限公司)to extend the maturity dates of the remaining principal amount of loans in the amounts of approximately HK$7,876,000 and HK$50,136,000 by one year to 15 October 2023 and 2 September 2023, respectively. The extensions constituted an advance to entity under the GEM Listing Rules. Further details are set out in the Company's announcement dated 21 October 2022. The aforementioned loans were assigned to Soar High upon approval by the Shareholders in the EGM held on 28 April 2023.

Further details of the assignment are set out above in the section headed 'Major Transaction in Relation to Proposed Disposal of the Entire Equity Interest in the Target Company and Assignment of the Sale Loan'.

Adoption of 2023 Share Option Scheme

In view of the expiration of the 2012 Share Option Scheme, on 21 April 2023, the Board proposed to adopt the 2023 Share Option Scheme ("2023 Share Option Scheme") in accordance with Chapter 23 of the GEM Listing Rules. The proposed 2023 Share Option Scheme was adopted by the Shareholders at the EGM held on 15 May 2023.

The purpose of the 2023 Share Option Scheme is to enable the Board to grant Share Options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

A summary of the principal rules and terms of the 2023 Share Option Scheme as well as the details of the 2023 Share Option Scheme and EGM are set out in the circular dated 21 April 2023.

Issue of Bonds

On 23 June 2023, the Board considered and passed a resolution to approve, confirm and ratify the issue of the zero-coupon bond(s) with aggregate principal up to HK$100 million (the "Bonds"). The Bonds would be documented using Distributed Ledger Technology (in place of paper) and would be implemented using Digital Ownership Token ("DOT") standard.

The Company's Bonds would be one of the first Bond Security Token that would truly implement and justify the use of blockchain and smart contract technologies, by using DOT standard. This unique approach provides greater certainty, efficiency, and security for bond holders, as the token itself becomes the security, and investors can directly hold and control their own securities.

The use of DOTs as a means of documentation for the tokenization of the Bonds also allows for a clear record of ownership of the security. The use of DOT standard in the Bond Security Token eliminates the need for a third-party custodian to hold onto the Bonds, reducing risks associated with traditional securities custody. This provides a more secure and transparent Bonds offering model, allowing investors to directly hold and control their own securities.

The DOT-standard security token applied to Bonds offerings maximizes the use of smart contracts. This process is efficient, transparent, secure, and cost-effective, providing several benefits over link-based security token approaches. Compared to paper-based Bond offerings, DOT-standard security tokens offer a more efficient, secure, and cost-effective alternative.

Subsequently, the Company has completed the issuance of the Bonds to professional investors on 12 July 2023. The total principal amount of the Bonds is HK$100 million. The Bonds are offered at a discount with an effective yield to maturity of 3.73% per annum. The net proceeds from the issue of the Bonds, after deducting the transaction costs and expenses, will be approximately HK$31.50 million. The Company intends to apply the net proceeds for the Group's development of Web3.0 and blockchain business.

Details of the Issue of Bonds are set out in the announcements dated 23 June 2023 and 12 July 2023.

Very Substantial Acquisition: Acquisition of the Entire Issued Share Capital of Autostereoscopic 3D Limited (the "Target Company") Involving Issue of Consideration Shares Under Specific Mandate; and Major Disposal: Charge Over the Entire Issued Share Capital of a Subsidiary

On 19 September 2023, Beauty Intentions Limited, a wholly-owned subsidiary of the Company as the purchaser ("Beauty Intentions"), the Company and Marvel Digital Group Limited, Akara.com Limited, Wealth Axis Limited, Mr. Ho Tak Wing, Mr. Li Yat Ho, Mr. Wong Alvin Chun Ho, Ms. Chan Pui Lei, Ms. Chan Yat Man Ava, Ms. Wong Ka Lai Kirsty as vendors (the "Vendors") entered into the sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which the Vendors have conditionally agreed to sell to Beauty Intentions and the latter has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company (the "Proposed Acquisition"). The consideration for the Proposed Acquisition is HK$100 million, which shall be settled by (i) the promissory notes in the aggregate principal amount of HK$75,985,677.28; and (ii) the allotment and issue of a total of 11,117,742 consideration Shares at the issue price of HK$2.16 per Share by the Company to the Vendors (or their nominee(s)) under Specific Mandate.

Meanwhile, to secure Beauty Intentions' obligations under the Sale and Purchase Agreement, upon Completion, the Company shall procure Giant Prestige Investment Limited (the "Chargor"), being a direct wholly-owned subsidiary of the Company, to execute the Deed of Share Charge in favour of the Vendors, as chargees. Under the Deed of Share Charge, the Chargor shall, by way of first fixed charge and floating charge, charge to the Vendors of all its right, title and interest in and to the Charged Shares, as continuing security for the payment or discharge of the Secured Obligations.

Details of the aforementioned proposed transactions are set out in the announcement dated 19 September 2023. A circular containing, among other things, (i) further details on the above transaction documents, the Proposed Transactions, the allotment and issue of the Consideration Shares pursuant to the Specific Mandate and the transactions contemplated thereunder; (ii) financial information of the Target Group; (iii) pro forma financial information of the Enlarged Group; (iv) valuation report of the Target Company; (v) equity and properties valuation reports of the Charged Company; (vi) other information required under the GEM Listing Rules; and (vii) a notice convening the extraordinary general meeting, is expected to be despatched to the shareholders of the Company in due course.

Establishment of a Joint Venture Company – Petaverse

On 15 June 2023, the Group has entered into a shareholders and cooperation agreement (the "JV Agreement") with an independent third party whereby the parties agreed to establish a joint venture company ("JV Company") to engage in the ownership and management of an e-Commerce platform and its respective membership and reward points program (collectively known as "Petaverse").

The business of the Petaverse focuses on the sales and marketing of pets-related products in the real world and in the Metaverse.

Under the JV Agreement, the Group and the Independent Third Party will initially own 30% and 70% of the equity interest in the JV Company, respectively.

Details of the JV Agreement and the Joint Venture are set in the announcement dated 15 June 2023.

Disposal of 100% Interests in a subsidiary engaged in Money Lending business

On 15 November 2023, Pleasant Impact Limited as the purchaser ("Pleasant Impact") and the Company as Vendor entered in a Disposal Agreement in relation to sale of Value Creation Finance Limited (engaging in money lending business) and its Sale Loans by the Company to Pleasant Impact. Pursuant to the Disposal Agreement, Pleasant Impact has agreed to acquire and the Vendor has agreed to sell the Sale Share and the Sale Loans for a cash consideration of HK$24,500,000 ("Disposal of Money Lending Business"). The Disposal of Money Lending Business has been completed on 20 November 2023.

In view of the volatile economic environment and with the aim to focus on core business of the Company, the Disposal of Money Lending Business provided a good opportunity for the Group to streamline the Group's structure to focus on its core business, limit the exposure of loan defaults, further enhance the financial position of the Group and better utilise the Group's financial resources.

Details of the Disposal Agreement and the Disposal of Money Lending Business are set forth in the announcement dated 15 November 2023.

Macro Systems

During the Year, Macro Systems Limited allied with various top-class industry elites to continuously promote enterprise market's digital transformation in Hong Kong. Macro Systems has continued to be the "Nutanix Certified Sales Expert" and gained "Master Partner", the highest tier of partnership in the Nutanix Partner Program. Besides, Macro Systems has been the "Gold Partner" in Sangfor Technology Channel Partner, IBM PartnerWorld Program "Silver Partner" as well as "VMware Partner Connect Program – Advanced Partner". These awards and partnerships issued by various world-class partners are solid affirmation of our high quality services.

Various industries are facing difficulties in the IT market in Hong Kong, such as the lack of professional talents and resources, while most enterprises have high requirements for IT efficiency and performance. Demand for professional IT talents grew. Enterprises are eager to adopt advanced technology, yet there is lack of talents with relevant skills and knowledge in the market. In March 2023, Macro Systems adopted grMail, a product of Green Radar (Hong Kong) Limited ("Green Radar"), a member of Edvance International Holdings Limited (Stock Code: 1410), a leading cybersecurity and innovative technology company headquartered in Hong Kong, and jointly provided enterprise customers with the most suitable and comprehensive email security solutions. Combining with Green Radar's unique and targeted technology, Macr° Systems can better help clients to actively deal with cyber attacks and protect important information, reducing the cost of enterprises dealing with related problems.

Meanwhile, we continued to utilise our scenario driven business agility zone at our experience centre in Tsimshatsui to allow our customers to experience the business transformation we bring with secured intelligence and technology. It allows clients to have a first-hand experience of smart office with high speed connection at any location. Not only does it help business to be performed in a seamless and agile way from office to anywhere by virtual workspace, it helps business to save energy and improve environment. We believe the experience zone can successfully strengthen our clients' confidence in deploying virtual workspace solution and facilitate the related business project progress.

DataCube

During the Year, DataCube Research Centre Limited has kick-started the cooperation with a public transportation company. It has also continued to promote data modelling and big data analysis, as well as developing related technologies to expedite the adoption and drive the evolution of AI and business intelligence across different industries and regions with its unique advanced core technologies of the AI Book, AI Manager and BI Canvas. As such, DataCube provides the technological platforms and all related resources to drive the development of smart cities in Asia. Currently, the AI Book and BI Canvas developed by DataCube serve clients in the PRC.

The smart logistics and customer relationships management system (the "CRM system"), one of the branches of the AI Booster solution services, is a simplified AI solution targeting small to medium-sized enterprises without AI specialists. It is an end-to-end ecosystem that provides leading-edge solutions for model development, deployment, monitoring and evolution.

According to the data collected by DataCube, the smart logistics and CRM system of the AI Booster solution services help customers of the Group to select the optimal transportation by providing real-time information sharing so that on-time delivery can be achieved. It can also monitor exceptional changes of the business while providing more personalised recommendation to the customers. The algorithms and data management technologies used in the AI Book and BI Canvas can create synergy for the development of AI Booster and the smart logistics and CRM system, allowing the Group to seamlessly streamline its entire data process and leverage cutting-edge AI technologies. Therefore, the Company has been injecting resources in research and development on its AI technology in the smart logistics and CRM system to transform enormously complex data with automated machine learning platforms and augmented analytics into useful insights which enables the Group to provide timely services to its customers. The system shall also provide automated sales and customer service interactions and other logistics management services.

The Group has been collaborating with various interested parties and it is on the shelf of Alibaba Cloud and AIBooster has participated in the Smart Government Innovation Lab of HKSAR to help government departments and industry to provide effective predictive analytics solutions, from data management to data analytics, and progressively use data to solve business problems. It is anticipated that our AI products will contribute to the Group's revenue in due course. Meanwhile, the Group was delighted that it has started to receive purchase order from client for our AI Smart Logistics system during the Period.

During the Year, Macro Systems recorded a revenue of approximately HK$29,994,000, representing an increase of 29.3% as compared to the revenue of approximately HK$23,204,000 in 2022. The increase in revenue of Macro Systems was mainly attributable to increase in number of projects during the Year.

DataCube contributed a revenue of approximately HK$5,499,000 representing a decrease of 57.3% as compared to the revenue of approximately HK$12,878,000 in 2022. During the Year, DataCube focused on the cooperation with the mass rapid transit company; and hence the number of other projects decreased. The Group shall continue to allocate resources in developing the technologies and services provided by Macro Systems and DataCube as our core business of the Group.

Money Lending Business (Discontinued Operation)

The Group carries out its money lending business through its wholly-owned subsidiary, Value Creation Finance Limited ("Value Creation Finance"). It is a money lender licensed in Hong Kong under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and primarily targets individual and corporate borrowers in Hong Kong who require financing to meet their personal financial needs or their capital needs.

During the Year, Value Creation Finance had not entered into any new loan agreements as the Company has intended to wind down its money lending business when the current loan receivable are collected in order to focus on other businesses of the Group.

As at the date of disposing the Company's money lending business on 20 November 2023, Value Creation Finance's four clients comprise of individual and corporate clients in Hong Kong, all of which are independent of and not connected to the Company and its connected persons.All the loan receivables of approximately HK$28,558,000 were due within one year and there were no borrower defaulted on repayment. Assets proof from the borrowers, such as securities and bank statements and checks on their employment status are regularly obtained and conducted to monitor their abilities to repay the loans. Proof of repayment is also obtained from the borrowers to ensure due loan repayment. In the event there is material deterioration in the borrowers' financial circumstances, the Group may require repayment from the borrowers. As last resort, the Group may appoint an external debt collection service provider or take appropriate legal actions for debts which have become overdue. Loans services were provided to individual and corporate in Hong Kong, all of which are independent of and not connected to the Company and its connected persons.

The Company has in place internal control procedures in relation to its money lending business, including but not limited to conducting prudent credit assessment procedures. During the customer due diligence process, the Company would gather personal information and financial background information to facilitate the review and assessment. The Directors shall cautiously determine the approval of the loan application taking into account the customer due diligence results, credit risk assessment, and loan terms etc. Other factors including the borrower's credit history with Value Creation Finance, credit and other business risks of the loan, general market conditions and Value Creation Finance's market and financial positions will also be considered. The finance department of the Group is facilitating the Company to keep track of the repayment and outstanding balance computation.

During the Year, the Group has implemented effective credit control procedures and there were no delinquent loans.

In November 2023, the Group has disposed 100% interest in Value Creation Finance and it has ceased to be subsidiaries of the Company and the financial information of the Value Creation Finance ceased to be consolidated into the accounts of the Group. The Group has ceased engaging in money lending business thereafter.

During the Year, the segment's revenue was approximately HK$2,860,000 (2022: HK$3,633,000).

FUTURE PROSPECT

The global economy including Hong Kong and Mainland China is anticipated to continue recover on a slow post-pandemic path in the 2024. The prospects remain highly uncertain driven by the adverse impact of high market interest rate environment and the geopolitical tensions.

Meanwhile, digital transformation is pursued in almost every sector, AI involvement is becoming inevitable in our lives. Ranking as one of the largest industries in the world, the information and communication technology ("ICT") market has been forecasted to reach a size of almost US$6 trillion by 2023. The AI market will grow to a US$190 billion industry by 2025 with global spending on cognitive and AI systems reaching over US$57 billion in 2022. Among the various global economies, the UAE has stolen the spot light in the industry. In a bid to reduce dependence on oil revenue and grow the private sector, UAE government initiatives set out to build a competitive knowledge economy and establish an open, efficient, effective, and globally integrated business environment. The UAE government is taking several steps to prompt the development of the knowledge-based economy. The UAE government has established a number of free trade zones such as Dubai Internet City and Dubai Silicon Oasis that specialize in the ICT industry and act as industry clusters for high technology and innovation. These free zones are areas within the UAE that permit foreign ownership and are dedicated to a specific industry, making them business hubs. In view of this huge potential market, the Group has started to cooperate with business partner in Dubai. The Group shall continue to explore different potential markets to broaden our business footprints.

On the other hand, to dovetail with future business developments and keep pace with the advanced technological development, it would be neither cost-effective nor pragmatic to inject and involve in every research or development of new IT innovations. In 2023, the Group had made determined step to cease its money lending business and focus on our existing business. The Group has started in 2023 and shall continue to dedicate its effort for potential acquisitions and strategic alliances selectively that will further complement or synergise with its existing business. Through these cooperations, it will create enormous momentum to the Group's IT solutions business as it will pave way for a swift integration of the technological know-how between the Group and other business partners.

Moving forward, the Group will stay vigilant of the uncertainties and challenges ahead and strive to cement and expand its AI and other IT businesses with prudent risk management in 2024. With the vision to consolidate the Group's leading position in the IT solutions industry in Hong Kong, the Group is also committed to nurturing a healthy and strong corporate culture to enhance the Group's cohesiveness and work together with our staff towards this shared vision.

Management Discussion and Analysis

FINANCIAL REVIEW

Continuing Operations

Revenue

The Group's revenue for 2023 amounted to approximately HK$49,228,000, decreased by 17.0% from approximately HK$59,324,000 in 2022. The decrease in revenue is mainly due to the decrease in the revenue from DataCube as the management would like to focus on the projects with the mass rapid transit company during the Year.

Cost of sales and services

The Group had a total cost of sales and services of approximately HK$26,660,000 in 2023, which decreased by 36.4%, compared with approximately HK$41,923,000 in 2022. The decrease is mainly due to less trading of computer hardware and software as the Group had mainly focused on provision of IT services during the Year.

Gross profit

The gross profit of the Group in 2023 amounted to approximately HK$22,568,000 which increased by approximately HK$5,167,000, compared with approximately HK$17,401,000 in 2022. The increase is mainly due to the recovery of the economy in the first half quarter in 2023 and the Group focused on provision of IT services for the Year.

Other income and gains

During the financial year ended 31 December 2023, the Group generated other income and gains of approximately HK$914,000 (2022: approximately HK$1,555,000). The decrease in other income is mainly due to the government grants under the Employment Support Scheme of approximately HK$759,000 during 2022.

Selling and distribution expenses

The Group's selling and distribution expenses in 2023 amounted to approximately HK$8,990,000, which decreased by HK$9,216,000, compared with approximately HK$18,206,000 in 2022. The decrease was due to decrease in the research and development expenses for smart retail cloud platform and network security of IoT cloud platform from approximately HK$17,224,000 in 2022 to approximately HK$8,256,000 in 2023.

Administrative expenses

Administrative expenses of the Group in 2023 were approximately HK$38,979,000, increased by 38.6%, compared to approximately HK$28,124,000 in 2022. Since the economy has resumed normalcy in the first half of 2023, the management resumed business meetings and travels. Besides, the increment is also due to the increase in advertising and promotion of the Group's products and legal and professional fees for publication of circulars and announcements in relation to the corporate actions of the Company.

Fair value loss on investments at fair value through profit or loss

As at 31 December 2023, the Group held an investment portfolio comprising of marketable securities that are listed in Hong Kong and outside Hong Kong. The fair value gain from the portfolio amounted to approximately HK$29,000 (2022: loss of approximately HK$3,019,000).

Change in fair value of investment properties

As at 31 December 2023, the fair value of investment properties decreased by approximately HK$5,536,000 (2022: approximately HK$49,393,000).

Finance costs

Finance costs of the Group for 2023 were approximately HK$5,589,000, a decrease of approximately HK$5,956,000, comparing to approximately HK$11,545,000 in 2022. The decrease in finance costs is mainly due to the promissory note was disposed together with a subsidiary during the year.

Loss attributable to owners

The Group's loss attributable to owners of the Company was approximately HK$20,876,000 for 2023 as compared to approximately HK$82,548,000 in 2022. The decrease in loss is mainly due to (i) decrease in fair value loss on the investment properties from approximately HK$49,393,000 in 2022 to approximately HK$5,536,000 in 2023; (ii) gain on disposal of a subsidiary of approximately HK$7,156,000 during the Year; and (iii) decrease in finance costs from approximately HK$11,545,000 in 2022 to approximately HK$5,589,000 in 2023.

FINANCIAL POSITION

Liquidity and financial resources

As at 31 December 2023, cash and bank balances held by the Group decreased from approximately HK$13,877,000 as of 31 December 2022 to approximately HK$11,595,000.

As at 31 December 2023, the Group's total borrowings amounted approximately HK$65,033,000 (2022: approximately HK$136,960,000). The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.25 (2022: 0.50).

For the year ended 31 December 2023, the Group had capital expenditure of approximately HK$638,000 (2022: approximately HK$54,000) for addition of property, plant and equipment, and approximately HK$nil for further construction works of investment properties (2022: HK$52,494,000 for addition of investment properties by acquisition of a subsidiary and further construction works).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries

On 28 August 2019, the Group acquired 19% equity interest in Guangzhou Dehuang Investment Company Limited*（廣州市德煌投資有限公司）("Dehuang") and loan receivables with principal amount of RMB51,199,000, at a consideration of RMB66,341,000 which is satisfied by issuance of promissory notes to the vendor. The principal activities of Dehuang is provision of business services and its principal assets are the one parcel of land and five (2021: four) buildings for data centre and office (including the land beneath) owned by Dehuang and located in South of Shinan Highway, Nansha District, Guangzhou.

As at 31 December 2022, it was measured at fair value of approximately HK$32,173,000.

On 3 March 2023, and independent third party (the "Purchaser") and Gorgeous Ocean Global Limited, a direct wholly-owned subsidiary of the Company, (the "Vendor"), entered into an agreement (the "Disposal Agreement"), pursuant to which, the Vendor has conditionally agreed to sell the entire issued share capital of Rosy Ridge Investments Limited (the "Target Company") and its subsidiaries (collectively referred to as the "Target Group") and to assign the loans receivables from the Target Group of approximately HK$35,200,000 and Dehuang of approximately HK$7,415,000 (the "Sale Loan") to the Purchaser, and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company and take up the assignment of the Sale Loan at the consideration of HK$28,000,000. Details of the disposal is set out on page 136 of the annual report and Note 40(b) in the consolidated financial statements. The disposal completed during the year ended 31 December 2023 and Dehuang ceased to be a significant investment of the Group.

On 15 November 2023, Pleasant Impact as purchaser and the Company as vendor entered into a disposal agreement (the "Disposal Agreement 2") to dispose Rosy Time Investments Limited and its subsidiaries. Pursuant to the Disposal Agreement 2, Pleasant Impact has agreed to acquire and the Vendor has agreed to sell the sale share and the sale loans for a cash consideration of HK$24,500,000. Details of the disposal is set out on page 135 of the annual report and Note 40(a) in the consolidated financial statements.

There is no plans for material investments or capital assets as at the date of this report.

Capital structure

As at 31 December 2023 and as at the date of this report, there are a total of 61,765,237 issued shares of the Company of par value of HK$0.1 each.

The details of the changes in capital structure of the Company during the year are set out in Note 38 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To their best of knowledge and belief, the Directors consider that the followings are the key risks and uncertainties identified by the Group as at the date of this report.

Foreign Exchange Rates Risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Liquidity Risk

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

Price Risk

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

EMPLOYEES AND REMUNERATION POLICIES

There were a total of 61 employees in the Group as of 31 December 2023 (2022: 59 employees). Total expenses on employee benefits amounted to approximately HK$21,744,000 of which HK$931,000 is related to equity-settled share-based payment for the year ended 31 December 2023 (2022: approximately HK$21,411,000 of which HK$1,100,000 is related to equity-settled share-based payment). The management believes the remuneration packages offered by the Group to its employees are competitive.

The Remuneration Committee of the Company recommends the level of remuneration for Directors, subject to approval by the Board. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. In order to determine the level of remuneration paid to the members of the Board, market rates and factors such as time commitment, responsibilities of directors and the Group's performance are taken into account. As part of the remuneration package, Board members may be granted a certain number of share options under share incentive schemes adopted by the Company from time to time. Such securities may be granted upon the recommendation of the Remuneration Committee and will be subject to approval by the Board or the Shareholders (if necessary).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and the remuneration structure of employees that comprises of basic wage, allowances, benefits and others, and grants employees share options as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance on behalf of its employees in PRC in accordance with the relevant laws and regulations requirements of the PRC. The emoluments payable to employees of the Group are determined based on their responsibilities, qualifications, experiences and the role taken as well as the industry practices. Other benefits to the employees of the Group include, among other things, share options. Details of the shares options granted are set out in the section headed "Share Option Scheme" in this annual report.

REDEMPTION, PURCHASE OR CANCELLATION OF THE COMPANY'S REDEEMABLE SECURITIES

Neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any of the Company's redeemable securities during the Year.

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

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

EVENTS AFTER REPORTING PERIOD

Establishment of a Joint Venture Company

In January 2024, the Group has entered into an agreement ("JV2 Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV2 Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV2 Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi (the "JV2 Business").

Details of the JV2 Agreement and the JV2 Company are set in the announcement dated 30 January 2024.

Save as disclosed above, there are no other significant events after the Year.

Biographical Information of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. WONG King Shiu, Daniel, aged 64, has been appointed as the chairman of the Board and chief executive officer of the Company with effect from 25 November 2019. He was the authorised representative and the process agent of the Company from 12 November 2020 to 31 March 2021. He has over 13 years of experience in natural resources industry and served as an executive director in a various natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. He was an independent non-executive director of Huisheng International Holdings Limited (Stock Code: 1340) from 7 June 2016 to 30 June 2022. He was also an executive director of China Baoli Technologies Holdings Limited (Stock Code: 164) from 13 January 2012 to 3 October 2019. He was also a former executive director of China Oil And Gas Group Limited ("China Oil And Gas Group") (Stock Code: 603) from January 2002 to 30 August 2006. Mr. Daniel Wong joined the Group on 16 August 2017.

Mr. CHANG Ki Sum Clark, aged 38, has been appointed as executive director of the Company with effect from 31 March 2021. He is currently compliance officer, one of the authorized representatives and the process agents of the Company. He is responsible overall financial management matters of the Group. He was the company secretary of the Company from 18 June 2019 to 31 March 2021. He has been appointed as company secretary of Bay Area Gold Group Limited (In Liquidation), a company listed on the Hong Kong Stock Exchange (Stock Code: 1194), with effect from 22 July 2022 and he has ceased to be its company secretary on 31 August 2022. Mr. Chang is a member of The Hong Kong Institute of Certified Public Accountants. He has over 10 years of experience in auditing, accounting and company secretarial matters. He has obtained his bachelor degree of business administration in accountancy from the City University of Hong Kong in 2009. He is the founder and the managing director of Clark Chang & Co CPA Limited since December 2017.

NON-EXECUTIVE DIRECTOR

Hon. LI Sai Wing, *JP, MH*, aged 40, has been appointed as Non-Executive Director with effect from 26 October 2022. Hon. Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University. He is currently a member of the Legislative Council (New Territories South East) of Hong Kong since 2021.

Currently, he is the Vice Chairman of Qingyuan Overseas Association and Federation of New Territories Youth respectively, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong and Hong Kong Volunteers Federation. Hon. Li is a committee member of HKSAR Government Election Committee and CLP Eco Building Fund. Hon Li is a Hong Kong Committee Member of Guangzhou Panyu District CPPCC Committee. He is also the Vice Chairman of New Territories Association of Societies. He was a district council member of Shatin District from 2012 to 2019. He was the PR Project Supervisor of A-World Consulting Limited.

Biographical Information of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HUNG Hing Man, aged 53, is the chairman of audit committee and nomination committee of the Company. He holds a master's degree in Business Administration from the University of Western Sydney. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. Mr. Hung is currently a proprietor of a certified public accountants firm. He has extensive working experience in corporate finance, accounting, auditing and taxation sectors. Mr. Hung joined the Group on 24 April 2015. Mr. Hung is also an independent non-executive director of Heng Tai Consumables Group Limited (Stock Code: 197) since 20 February 2017. He was an independent non-executive Director of Town Health International Medical Group Limited (Stock Code: 3886) from 10 February 2023 to 12 January 2024.

Mr. WONG Hoi Kuen, aged 63, is the chairman of the remuneration committee of the Company and the member of the audit committee and nomination committee of the Company. He is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Mr. Wong joined the Group on 16 August 2017. Mr. Wong is an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (Stock Code: 223) since 9 May 2011. Mr. Wong is also the company secretary of China Infrastructure Investment Limited (Stock Code: 600) since 1 August 2023, the trading of securities of which are suspended on the Main Board of the Stock Exchange.

Dr. CHEN Shengrong, aged 42, is a member of the audit committee, remuneration committee and nomination committee of the Company. She obtained a doctorate degree in Business Administration from the Pacific States University of the USA in 2011. She was an audit manager with Baker Tilly China Certified Public Accountants and had been the vice general manager of New Times Securities Company Limited in charge of risk control. From August 2014 to December 2016, Dr. Chen served as the vice president of finance of Skyslink New Energy Asset Management Limited. From January 2017 to February 2021, she served as the vice president of Sky Cloud Green Data Technology Co., Ltd.(天之雲綠色數據技術有限責任公司). She is currently serving as general manager in China Ageing Welfare Development Co., Ltd. Dr. Chen has extensive experience in internal control of enterprises, risk control in investment businesses, project risk evaluation and assets restructuring management. Dr. Chen joined the Group on 30 January 2015.

SENIOR MANAGEMENT

Ms. LAM Mei Wai Michelle, is the company secretary and one of the authorised representatives of the Company with effect from 31 March 2021. She holds a Bachelor of Arts from The University of Hong Kong and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lam is currently the President of Oakwood Services Limited and has more than 10 years of experience in company secretarial field. She also serves as the company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of the Stock Exchange.

Directors' Report

The Directors are pleased to present their report and the audited consolidated financial statements of China Information Technology Development Limited and its subsidiaries for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 43 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including the results of the Group, the financial position of the Group and a discussion of the principal risks and uncertainties facing the Group as well as indication of likely future developments in the Group's businesses and other relevant information, can be found in the "Management Discussion and Analysis" set out on pages 6 to 21 and the Chairman's Statement as set out on pages 4 to 5 of this report. Such discussion forms part of this Directors' Report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2023 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 65 to 69.

The Audit Committee has reviewed the draft audited consolidated financial statements and annual report before presenting them to the Board for consideration and approval.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 143. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movement in the share capital and share options of the Company during the year are set out in note 38 and note 39 to the consolidated financial statements respectively.

EQUITY-LINKED AGREEMENTS

Save for the old share option scheme adopted by the Company on 2 August 2012 ("2012 Share Option Scheme") and the existing share option scheme adopted by the Company on 15 May 2023 (the "2023 Share Option Scheme") as disclosed in the section headed "Share Options Scheme" of this Directors' Report, the Company has not entered into any equity-linked agreement for the year ended 31 December 2023.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Associations") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 42 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company had no reserve available for distribution to shareholders (including share premium account, foreign currency translation reserve and retained earnings). Under the Companies Law, Cap 22 (Law 38 of 1961, as consolidated and revised) 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 articles of association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business, in accordance with the Company's Articles of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 35.2% of the total sales for the year and sales to the largest customer included therein amounted to 21.5%. Purchases from the Group's five largest suppliers accounted for 53.9% of the total purchases for the year ended 31 December 2023 and purchase from the largest supplier included therein amounted to 22.6%.

None of the Directors or any of their associates or any shareholders of the Company (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 five largest customers and suppliers.

Directors' Report

DIRECTORS

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

Executive Directors:

Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*
Mr. Chang Ki Sum Clark

Non-Executive Director:

Hon. Li Sai Wing, *JP, MH*

Independent non-executive Directors:

Mr. Hung Hing Man
Mr. Wong Hoi Kuen
Dr. Chen Shengrong

In accordance with Articles 87(1) and 87(2) of the Articles of Association of the Company ("Articles of Association"), one-third of the Directors will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmations of independence from Mr. Hung Hing Man, Mr. Wong Hoi Kuen and Dr. Chen Shengrong and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 22 to 23 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group as well as the recommendation of the remuneration committee of the Company (the "Remuneration Committee"). Further details of the Directors' remuneration and the five highest paid individuals are set out in the Note 11 to the consolidated financial statements on pages 108 to 110 of the annual report.

PERMITTED INDEMNITY OF DIRECTORS

Pursuant to the Articles of Association, every Director or other senior officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office 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.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACTS

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts, other than the employment contracts of the Directors and senior management of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

There is no transactions, arrangements and contract of significance to the business of the Group between the Company , or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the Reporting Period. During the Year, no transactions, arrangements and contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the interests and short positions of the Directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Capacity	Nature of Interest		Percentage of the Company's issued share capital *(approximately)* *(Note a)*
		Registered Shareholder	Underlying Interest	
Executive Directors				
WONG King Shiu, Daniel	Beneficial owner	603,550	—	0.98%
			615,000 *(Note b)*	0.99%
CHANG Ki Sum Clark	Beneficial owner	—	614,374	0.99%
Non-Executive Director				
LI Sai Wing, *JP, MH*	Beneficial owner	—	200,000	0.32%
Independent Non-Executive Directors				
HUNG Hing Man	Beneficial owner	—	34,000 *(Note c)*	0.07%
WONG Hoi Kuen	Beneficial owner	—	34,000 *(Note c)*	0.07%
CHEN Shengrong	Beneficial owner	—	34,000 *(Note c)*	0.07%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 61,765,237 Shares.

(b) Mr. Wong King Shiu, Daniel was granted 3,430,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).

(c) The directors were each granted 340,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).

EMOLUMENT POLICY

The employees' remuneration depends on their particular duties and their performance. The Company conducts employee performance review annually to evaluate and adjust the employees' remuneration. The Company enters into individual employment agreements with the employees, with terms covering, among other things, positions, salaries, working hours, annual leave and other benefits. The Group has the 2023 Share Option Scheme in place to enable the Board to grant share options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group. For details in relation to the 2023 Share Option Scheme and the 2012 Share Option Scheme, please refer to the paragraph headed "Share Option Scheme" from pages 29 to 36 of this annual report.

The emoluments of Directors are determined based on the skill, knowledge, duties and responsibilities. Each Director and senior management are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the Directors waived any emoluments for the year ended 31 December 2023.

SHARE OPTION SCHEME

2012 Share Option Scheme

The Company has adopted a share option scheme with effect from 2 August 2012 pursuant to an ordinary resolution passed by the Shareholders (the "2012 Share Option Scheme"). On 13 May 2021, the Company granted a total of 23,900,000 share options with rights to subscribe for 23,900,000 shares of the Company and further granted a total of 16,360,000 share options on 16 June 2022 with rights to subscribe for 16,360,000 shares of the Company.

Purpose of the 2012 Share option scheme

The purpose of the 2012 Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The 2012 Share Option Scheme provides the participants with the opportunity to acquire proprietary interests in the Company and will encourage such participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

Participants of the 2012 Share Option Scheme

The 2012 Share Option Scheme also attracts and retains the best available personnel and to provide additional incentive to an employee, director (including executive director, non-executive director or independent non-executive director), consultant, professional adviser, customer, business partner, joint venture partner, strategic partner or any supplier or provider of goods or services to, the Group, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

The basis of eligibility of any participant to the grant of any share option shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group. The Board may, at its absolute discretion and on such terms as it may think fit and in accordance with the rules of the 2012 Share Option Scheme, grant share options under the 2012 Share Option Scheme to the eligible participants.

Total number of shares available for issue

The 2012 Share Option Scheme has expired on 1 August 2022 and no more share options may be granted under the 2012 Share Option Scheme as at 1 January 2023 and during the financial year ended 31 December 2023. The outstanding share options under the 2012 Share Option Scheme would continue to be exercisable. Subsequent to the Year, 120,000 share options were lapsed in February 2024. 3,982,775 share options are outstanding and so a total of 3,982,775 shares are available for issue, which represents 6.45% of the issued shares of the Company as at the date of this report. The scheme mandate limit of the 2012 Share Option Scheme was refreshed by way of ordinary resolution in the EGM held on 5 November 2021. Prior to the expiry of the 2012 Share Option Scheme, the Company was able to grant 34,314,132 share options under the 2012 Share Option Scheme under the refreshed mandate limit, being 10% of the total number of shares in issue on 5 November 2021.

Maximum entitlement of each participant under the 2012 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share options granted under the 2012 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share options) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

Period within which the option may be exercised by the grantee

The Company granted share options under the 2012 Share Option Scheme in 13 May 2021 and 16 June 2022. The exercise period for the respective share options granted was 10 years from the date of grant, from 13 May 2021 to 12 May 2031 and 16 June 2022 to 15 June 2032.

Vesting period of options granted

There is no vesting period with the share options granted on 13 May 2021 and 16 June 2022.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant.

Basis of determining the exercise price of options

The subscription price of a Share in respect of any particular share option granted under the 2012 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

Remaining life of the 2012 Share Option Scheme

The 2012 Share Option Scheme was valid and effective for a period of ten years from 2 August 2012 until its expiry on 1 August 2022. The outstanding share options granted under the 2012 Share Option Scheme remain valid until its expiry, being 10 years from the date of grant and being 12 May 2031 in respect of the share options granted in May 2021 and 15 June 2032 in respect of the share options granted in June 2022.

During the year, movements of the options which have been granted under the 2012 Share Option Scheme are set out below:

					Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Balance as at 1 January 2023	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2023
SUBSTANTIAL SHAREHOLDER										
ZHANG Rong	Substantial Shareholder	2.19	13/5/2021	N/A	25,730	—	—	—	—	25,730
	Sub-total:				**25,730**	**–**	**–**	**–**	**–**	**25,730**
DIRECTOR										
WONG King Shiu, Daniel	Executive Director ("ED"), Chairman and Chief Executive Director	1.40	16/6/2022	N/A	343,000	—	—	—	—	343,000
CHANG Ki Sum Clark	ED	2.19	13/5/2021	N/A	267,374	—	—	—	—	267,374
		1.40	16/6/2022	N/A	73,000	—	—	—	—	73,000
HUNG Hing Man	Independent non-executive Director ("INED")	1.40	16/6/2022	N/A	34,000	—	—	—	—	34,000
WONG Hoi Kuen	INED	1.40	16/6/2022	N/A	34,000	—	—	—	—	34,000
CHEN Shengrong	INED	1.40	16/6/2022	N/A	34,000	—	—	—	—	34,000
	Sub-total:				**785,374**	**–**	**–**	**–**	**–**	**785,374**
EMPLOYEES										
Batch A[1]		2.19	13/5/2021	N/A	324,428	—	(55,936)	—	—	268,492
Batch B[1]		2.19	13/5/2021	N/A	246,118	—	(61,530)	—	—	184,588
Batch C[1]		2.19	13/5/2021	N/A	1,246,255	—	—	—	—	1,246,255
Batch D[1]		1.40	16/6/2022	N/A	245,000	—	—	—	—	245,000
Batch E[1]		1.40	16/6/2022	N/A	430,000	—	—	—	—	430,000
Batch F[1]		1.40	16/6/2022	N/A	343,000	—	—	—	—	343,000
	Sub-total:				**2,834,801**	**–**	**(117,466)**	**–**	**–**	**2,717,335**
CONSULTANTS										
WEI Qi	AI consultant	2.19	13/5/2021	N/A	237,168	—	—	—	—	237,168
WEI Guokang	Data center construction Consultant	2.19	13/5/2021	N/A	237,168	—	—	—	—	237,168
HUANG Jiehuan	Consultant (Algorithm)	1.40	16/6/2022	N/A	100,000	—	—	—	—	100,000
	Sub-total:				**574,336**	**–**	**–**	**–**	**–**	**574,336**
	TOTAL:				**4,220,241**	**–**	**(117,466)**	**–**	**–**	**4,102,775**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	18 (6 of the 18 employees resigned and the options granted have been lapsed)
B	50,001 to 100,000	4 (1 of the 4 employees resigned and the options granted have been lapsed)
C	200,001 to 250,000	5
D	0 to 50,000	10
E	50,001 to 100,000	6 (1 of the employees was a grantee of Batch A)
F	200,001 to 343,000	1

Note 2:

The number of outstanding share options and the exercise price were adjusted accordingly upon completion of rights issue on the basis of one rights share for every two existing shares on 11 April 2022 and completion of share consolidation of every ten issued and unissued existing shares be consolidated into one consolidated share on 5 December 2022.

Note 3:

The options have an exercise period of ten years from date of grant. They do not have any vesting period nor performance target.

Note 4:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 16 June 2022) was HK$0.140 (prior to completion of the share consolidation mentioned in Note 2 above).

2023 Share Option Scheme

The Company has adopted the 2023 Share Option Scheme with effect from 15 May 2023 (the "Adoption Date") pursuant to an ordinary resolution passed by the Shareholders. The Company is entitled to offer 6,176,523 share options under the scheme mandate and 617,652 share options under the service provider sublimit upon the adoption of the share option scheme. As at the date of this report, 1,568,000 share options have been granted under the 2023 Share Option Scheme. As at the end of the Year and as at the date of this report, the Company is entitled to offer up to a total of 4,608,523 share options under the scheme mandate, and 617,652 share options under the service provider sublimit.

Purpose and Participants of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to enable the Board to grant share options to (i) director(s) and employee(s) of the Company or any of its subsidiaries; (ii) directors and employees of holding companies, fellow subsidiaries or associate companies of the Company; and (iii) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group such as advisers, consultants, distributors, contractors, suppliers, agents and service providers of any subsidiary of the Group ("Service Providers" and collectively referred as the "Eligible Participants") as incentives or rewards for their contribution or potential contribution to the Group.

The Directors are of the view that the adoption of the 2023 Share Option Scheme aligns with the market practice of providing incentives to employee participants to work towards achieving the long-term objectives for the benefit of the Group as a whole.

The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate and take into account criteria based on the nature of the contributions made by the Eligible Participants before granting Share Option(s) to them.

Total number of share available for issue

Pursuant to an ordinary resolution passed by the Shareholders on 15 May 2023, the Company is entitled to issue a maximum of 6,176,523 Shares upon exercise of the share option to be granted under the scheme, representing 10% of the issued Shares as at the date of this report.

The Company had granted 1,568,000 share options under the 2023 Share Option Scheme on 10 August 2023 to certain directors and employees of the Company at an exercise price of HK$3.42 per Share. During the Year, 30,000 share options were lapsed in October 2023. During the Year, no options had been granted to service providers and the service provider sublimit has not been utilized.

As at the date of this report, 1,538,000 share options are outstanding and so 1,538,000 shares are available for issue, representing 2.49% of the issued shares. 1,538,000 shares may be issued in respect of options granted under the 2023 Share Option Scheme of the Company during the Year, which represents approximately 2.60% of the weighted average number of issued ordinary shares in the Company during the Year.

Maximum entitlement of each participant under the 2023 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share option granted under the 2023 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share option) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share option in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

The Board has also set the service provider sublimit in respect of the total number of Shares which may be allotted and issued in respect of all share option to be granted to Service Providers under the 2023 Share Option Scheme to 1% of the total number of Shares in issue on the Adoption Date, being no more than 617,652 Shares.

Period within which the option may be exercised by grantee

The option granted under the 2023 Share Option Scheme shall be exercised in 10 years from the date of grant.

Vesting Period of the options granted

The vesting period of share options granted under the 2023 Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant no later than 30 days from the date of grant.

Basis of determining the exercise price of options granted

The exercise price of a Share in respect of any particular share option granted under the 2023 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine at the time of grant, save that such price will be at least the highest of: (i)the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The remaining life of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

During the Year ended 31 December 2023, movements of the options which have been granted under the 2023 Share Option Scheme are set out below:

					Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Balance as at 1 January 2023	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2023
DIRECTOR										
WONG King Shiu, Daniel	ED, Chairman and Chief Executive Director	3.42	10/8/2023	10 August 2024	0	272,000	—	—	—	272,000
CHANG Ki Sum Clark	ED	3.42	10/8/2023	10 August 2024	0	274,000	—	—	—	274,000
LI Sai Wing, *JP, MH*	Non-executive Director	3.42	10/8/2023	10 August 2024	0	200,000	—	—	—	200,000
	Sub-total:				**0**	**746,000**	**–**	**–**	**–**	**746,000**
EMPLOYEES										
Batch A[1]		3.42	10/8/2023	10 August 2024	0	210,000	(30,000)	—	—	180,000
Batch B[1]		3.42	10/8/2023	10 August 2024	0	612,000	—	—	—	612,000
	Sub-total:				**0**	**822,000**	**–**	**–**	**–**	**792,000**
	TOTAL:				**0**	**1,568,000**	**(30,000)**	**–**	**–**	**1,538,000**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	6 (1 of the 6 employees resigned and the options granted have been lapsed)
B	50,001 to 400,000	2

Note 2:

The options have an exercise period of ten years from date of grant. They have an exercise period from 10 August 2024 to 9 August 2033, both day inclusive. There is no performance target attached to the options.

Note 3:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 9 August 2023) was HK$3.42.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2023, the following interests of 5% or more 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 ordinary shares of the Company:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital *(approximately)* *(Note a)*
Mr. ZHANG Rong ("Mr. Zhang")	Beneficial owner	15,027,499 *(Registered shareholder)*	24.33%
		25,730 *(underlying interest)*	0.04%
	Through controlled corporation	3,008,800 *(Registered shareholder)* *(Note b)*	4.87%
Dr. LEE Ying Chiu Herbert ("Dr. Lee")	Through controlled corporation	2,652,038 *(Registered shareholder)* *(Note c)*	4.29%
		3,335,323 *(Underlying interest)* *(Note d)*	5.40%
Mr. LAM Shu Chung ("Mr. Lam")	Beneficial owner	3,801,300 *(Registered shareholder)*	6.15%
Ms. CHOI Hing Lin Lori ("Ms. Choi")	Interest of Spouse *(Note e)*	3,801,300	6.15%
Mr. TANG Keung	Beneficial owner	3,503,400 *(Registered shareholder)*	5.67%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 61,765,237.

(b) The 3,008,800 Shares are held by Corporate Advisory Limited ("Corporate Advisory"), which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.

(c) The 2,652,038 Shares are held by Marvel Digital Group Limited ("Marvel Digital") which is wholly-owned by Dr. Lee. Pursuant to the Division 7 and 8 of Part XV of the SFO, Dr. Lee is deemed to have an interest in all shares in which Marvel Digital has, or deemed to have an interest.

(d) The 3,335,323 Shares are held by Marvion Group Limited ("Marvion Group") of which Dr. Lee indirectly holds 52.34% of its shareholding.

On 19 September 2023, Beauty Intentions Limited (a direct wholly-owned subsidiary of the Company) as Purchaser, the Company and Marvion Group (as one of the Vendors) entered into the Sale and Purchase Agreement pursuant to which the Vendors have conditionally agreed to sell to Beauty Intentions and Beauty Intentions has conditionally agreed to acquire the entire issued share capital of Autostereoscopic 3D Limited. The consideration for the Proposed Acquisition is HK$100 million, which shall be settled by (i) the Promissory Notes in the aggregate principal amount of HK$75,985,677.28; and (ii) the allotment and issue of a total of 11,117,742 Consideration Shares by the Company to the Vendors (or their nominee(s)). The Proposed Acquisition has yet to be completed upon approval by the Shareholders of the Company.

According to the Proposed Acquisition above, Dr. Lee is deemed to have an underlying interest in all shares in which Marvion Group has, or deemed to have an interest.

(e) Ms. Choi is the spouse of Mr. Lam, and therefore deemed to have an interest on the Shares in which Mr. Lam has, or deemed to have, an interest.

Save as disclosed above, as at 31 December 2023, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the standalone Environmental, Social and Governance Report.

Directors' Report

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2023, none of the Directors had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to the GEM Listing Rules.

RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group.

The Group maintains strong relationships with its employees and offers them with safe working environments, training and career development opportunities. The Group has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

DONATIONS

The Group did not make any charitable donations during the year ended 31 December 2023.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 41 to 60.

Directors' Report

AUDITORS

ZHONGHUI ANDA CPA Limited retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

SUBSEQUENT EVENTS

Subsequent events are set out in the "Management Discussion and Analysis" on page 21 in this annual report.

Save as disclosed in this annual report, there are no other subsequent event.

ON BEHALF OF THE BOARD

Mr. Wong King Shiu, Daniel
Chairman and Chief Executive Officer

Hong Kong
25 March 2024

Corporate Governance Report

INTRODUCTION

The Board of the Company believes that corporate governance is essential to enhance the Group's value and accountability and has adopted various measures to adhere to a high standard of corporate governance to safeguard the interests of shareholders, clients, service vendors, employees and other stakeholders.

The Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "Code") for the year ended 31 December 2023, except for the following:

Code Provision C.2.1

Chairman and Chief Executive Officer

Code Provision C.2.1 stipulates the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong King Shiu, Daniel served as both the Chairman and the Chief Executive Officer during the year. Such practice deviates from code provision C.2.1 of the Code. The Board is of the opinion that it is appropriate and in the best interests of the Company for the same person to hold both positions as it helps maintain the continuity of the policies and the stability of the operations of the Company.

CULTURE AND VALUES

With the aim to provide advanced and high quality IT services to our clients, the Board strives to foster corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

Integrity and code of conduct

The Group endeavors to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee manual, the anti-corruption policy and the whistleblowing policy of the Group. The said policies had been available and sent to all staff for their reference. Regular updates and training are provided to reinforce the standard.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is important to nurture commitment with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Corporate Governance Report

BOARD OF DIRECTORS

Board Composition and its Responsibilities

The Board, which currently comprises six Directors, including two executive Directors, and one non-executive Director and three independent non-executive Directors. The Board is responsible for overseeing the corporate strategy and performance, annual and interim results, succession planning, internal control and risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters of the Company. The independent non-executive Directors are responsible for ensuring a high standard of internal control of the Company and financial and other mandatory reporting of the Board as well as to provide a balance in the Board in order to protect shareholders' interest and overall interest of the Group.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual, interim and quarterly accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of risk management and internal controls procedures, and compliance with relevant statutory requirements and rules and regulations.

All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director and non-executive Director (including the independent non-executive Director) has sufficient experience, knowledge and execution ability to hold the position so as to carry out his duties effectively and efficiently.

The composition of the Board, details of backgrounds and qualifications of all Directors are set out in the "Corporate Information" and "Biographical Information of Directors and Senior Management" sections of this annual report. The latest list of Directors setting out their roles and responsibilities is available and accessible at the websites of the Company (http://www.citd.com.hk) and the Stock Exchange (www.hkexnews.hk).

There was no financial, business, family or other material/relevant relationship among Directors.

Board Independence

The Company recognises that Board independence is crucial in good corporate governance and effectiveness of the Board. The Board has established mechanisms to ensure independent views and input from any Director of the Company are delivered to the Board for building an objective and effective decision.

The governance framework and the following mechanisms are reviewed annually by the Board, through its nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee") of the Company, in order to ensure the effectiveness:

1. Three out of the six Directors are independent non-executive Directors, which meets the requirements of the GEM Listing Rules that the Board must have at least three independent non-executive Directors and must appoint independent non-executive Directors representing at least one-third of the Board.

2. The Nomination and Remuneration Committees will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive director before appointment and also the continued independence of existing independent non-executive Directors and their time commitments annually. On an annual basis, all independent non-executive Directors are required to confirm in writing their compliance of independence requirements pursuant to Rule 5.09 of the GEM Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.

3. The Nomination and Remuneration Committee will conduct the performance evaluation of the independent non-executive Directors annually to assess their contributions.

4. External independent professional advice is available as and when required by individual Directors.

5. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

6. A Director (including independent non-executive Director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same.

7. The Chairman of the Board meets with independent non-executive Director annually without the presence of the executive Directors and non-executive Directors.

8. The independent non-executive directors of the Company who served the Company for more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders pursuant to the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the director's securities transactions (the "Code of Conduct") 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 made specific enquiry of all Directors regarding any non-compliance with the Code of Conduct during the year, and they all confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct throughout the year ended 31 December 2023.

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each Director receives comprehensive, formal and tailored induction on the first occasion of his appointment so as to ensure the he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development.

During the year, each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. During the year ended 31 December 2023, all Directors participated in continuing professional development regarding their duties and responsibilities as a director of a listed company which included reading newspapers, journals and updates and/or attending training courses and/or seminars relevant to the Group's businesses to their duties and responsibilities as directors of a listed company. The Directors were provided with monthly updates on the Group's business and financial matters. All Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

Directors' participation in continuous professional development for the year ended 31 December 2023 are set out in the table below:

	Participation in continuous professional development
Executive Directors	
Mr. Wong King Shiu, Daniel	√
Mr. Chang Ki Sum, Clark	√
Non-Executive Director	
Hon. Li Sai Wing, *JP, MH*	√
Independent Non-executive Directors	
Mr.Hung Hing Man	√
Mr. Wong Hoi Kuen	√
Dr. Chen Shengrong	√

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The executive Directors and non-executive Directors have not entered into any service contract with the Company with a fixed term, yet all the Directors of the Company are subject to retirement and re-election at the forthcoming general meeting of the Company after his appointment and will also be subject to retirement by rotation and re-election in accordance with the Articles of Association and the Code.

BOARD MEETING

During the year of 2023, the board held totally 14 board meetings and 4 general meetings. The attendance of each Director are set out below:

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Executive Directors:		
Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*	14/14	4/4
Mr. Chang Ki Sum Clark	14/14	4/4
Non-Executive Director:		
Hon. Li Sai Wing, *JP, MH*	14/14	3/4

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Independent non-executive Directors:		
Mr. Hung Hing Man	14/14	4/4
Mr. Wong Hoi Kuen	14/14	4/4
Dr. Chen Shengrong	14/14	4/4

At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Board's procedures comply with the Articles of Association, as well as relevant rules and regulations. An agenda and accompanying board papers shall be sent, in full, to all Directors in a timely manner at least 3 days before the intended date of a board or board committee meeting unless otherwise agreed. The management shall supply the Board and board committees with complete and reliable adequate information, in a timely manner, to enable them to make informed decisions and fulfil their duties properly. The Board and each Director has separate and independent access to the issuer's senior management. Queries raised by Directors will be responded promptly and in a full way.

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

Board minutes of each Board meeting are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

NON-EXECUTIVE DIRECTORS

The Board fulfilled the requirement of appointing at least three independent non-executive directors and they represented at least one-third of the Board as stipulated by the GEM Listing Rules. It met the requirement of having at least one of the independent non-executive directors with appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have appropriate and sufficient experience and qualification to carry out their duties so as to fully represent the interests of the shareholders.

The Company has received from each independent non-executive Director an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The independent non-executive Directors have confirmed that they are independent.

Each of Mr. Hung Hing Man and Dr. Chen Shengrong has served the Company for more than 9 years respectively. Pursuant to Appendix C1 to the GEM Listing Rules, if an independent non-executive director has served for more than 9 years, his/her further appointment should be subject to a separate resolution to be approved by shareholders of the Company.

The Board is of the opinion that Mr. Hung Hing Man and Dr. Chen Shengrong maintain their independence even they have served the Board for more than 9 years, and believes that their valuable knowledge and experience continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are not appointed for a specific term. In accordance with the Articles of Association, all non-executive Directors (including the independent non-executive Directors) are subject to retirement by rotation and re-election by shareholders the annual general meetings of the Company.

INSURANCE ON DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate liabilities insurance for the Directors to cover their liabilities arising out of corporate activities. The insurance coverage is reviewed annually.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions, which include but not limited to the following duties:

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

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

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

(d) To develop, review and monitor the code of conduct applicable to employees and Directors; and

(e) To review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the year, the Board has reviewed and discharged the above corporate governance functions.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules.

During the year under review, members of the Remuneration Committee are Mr. Wong Hoi Kuen (Committee Chairman), Mr. Hung Hing Man, Dr. Chen Shengrong. All of the Remuneration Committee members are independent non-executive Directors.

Its main role and functions include but not limited to making recommendations of specific remuneration packages of all executive directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive directors and senior management of the Company. The Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

During the year of 2023, 3 Remuneration Committee meetings were held. The attendance of each member is set out below:

Name of Director	**Attendance Number of meetings held**
Mr. Wong Hoi Kuen *(Committee Chairman)*	3/3
Mr. Hung Hing Man	3/3
Dr. Chen Shengrong	3/3

The works performed by the Remuneration Committee during the year include the following:

- reviewed and recommended matters relating to grant of share options under the 2023 share option scheme to directors and employees of the Company, such as vesting period and performance targets of the share options;
- reviewed and recommended the grant of share options to the respective Directors on 10 August 2023;
- reviewed terms of reference of Remuneration Committee;
- reviewed and determined the policy for the remuneration of Directors and senior management;
- reviewed and recommended the remuneration package of the Directors and senior management; and
- reviewed and approved the terms of executive Directors' service contracts.

No Director nor any of his/her associates was involved in deciding his/her own remuneration.

For the year, the remuneration payable (including equity-settled share option expense) to a senior management (excluding Directors) fell within the band of HK$nil to HK$550,000.

In relation to the grant of share options under the Share Option Scheme on 10 August 2023, the Remuneration Committee viewed that the executive Directors are responsible for overseeing the operation of the Company as well as providing leadership for the Company to put forward the business strategy and work towards the business goals of the Company. The Remuneration Committee is of the view that a vesting period of 12 months is appropriate considering that the grant of share options serve as rewards for the grantees' past contribution to the Group and as incentives for the grantees to continuously contribute to the operation, development and long-term growth of the group which align with the purpose of the 2023 Share Option Scheme.

There is also no performance target attached to the share options. The 2023 Share Option Scheme aims to provide incentives or rewards for their contribution or potential contribution to the Group. The options granted will give the Grantees an opportunity to have their own shares of the Company, which will help motivate the Grantees in improving their performance and efficiency. The Grantees and number of Options to be granted are determined based on the work performance and potential of the Grantees.

In view of the aforementioned, the Remuneration Committee considered the grant of the share options aligned with the purpose of the 2023 Share Option Scheme.

Further details of the remuneration of the Directors and the five highest paid individuals are set out in note 11 to the financial statements.

Corporate Governance Report

NOMINATION OF DIRECTORS

The Board is empowered under the Articles of Association to appoint any person as a director either to fill a casual vacancy or, subject to authorisation by the shareholders of the Company in general meeting, as an additional member of the Board. The Company has adopted the nomination policy (the "Nomination Policy") with effect from 1 January 2019. The Nomination Policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board of Directors. The criteria for recommending the suitable candidates for directorship include (i) reputation for integrity, (ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, (iii) commitment in respect of sufficient time and relevant interest; (iv) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and (v) such other perspectives appropriate to the Company's business. These factors are for reference only, and not meant to be exhaustive and decisive. The nomination committee of the Company ("Nomination Committee") has the discretion to nominate and recommend any person, as it considers appropriate to the Board for further approval.

The Nomination Committee shall review and recommend to the Board on any revisions to the Nomination Policy to ensure its transparent and fair for the election or re-election process of directors, remains relevant to the Company needs and reflects the good corporate governance practice. The Nomination Committee will discuss any revisions that may be required, and recommend any such revision to the Board for consideration and approval.

BOARD DIVERSITY

The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities.

The Company also takes into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board. Nomination Committee has considered measurable objectives based on four focus areas: gender, age, professional experience and ethnicity to implement the Board Diversity Policy. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness at least once annually. The Board Diversity Policy is available on the website of the Company for public information.

Measurable Objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives:

1. at least one third of the Directors shall be independent non-executive Directors;

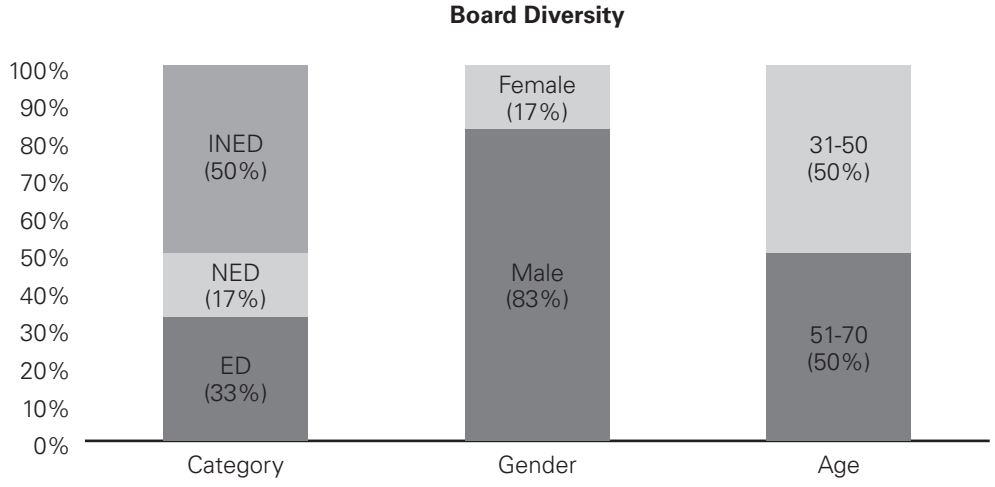
2. at least one Director is female; and

3. at least one Director shall have obtained accounting or other professional qualifications.

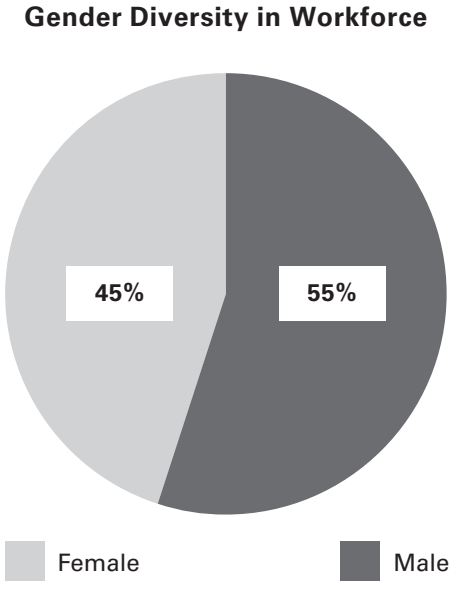
During the year ended 31 December 2023, all the measurable objectives have been fulfilled.

Progress:

The Board and the Nomination Committee believe that the diversity of the Board is sufficient given that there are Directors from different industries and with different experience, skills and knowledge. As at 31 December 2023, the analysis of the Board diversity is set out as follows:



During the year, in the IT industry which is traditionally short of female talents, the Group had managed to attract female talents and maintained a relatively balanced gender ratio as shown in the below chart:-



The Company shall continue to recruit more female talents and maintain gender diversity in workforce.

Corporate Governance Report

NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in compliance with Rule 5.36A and Code Provisions B.3.1 to B.3.4 of Appendix C1 of the GEM Listing Rules.

During the year under review, members of the Nomination Committee are Mr. Hung Hing Man (Committee Chairman), Dr. Chen Shengrong and Mr. Wong Hoi Kuen. All of the Nomination Committee members are independent non-executive Directors.

The Nomination Committee's role and functions include but not limited to reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive directors and making recommendations to the Board on the appointment, re-appointment and succession of directors.

During the year of 2023, 2 Nomination Committee meetings were held. The attendance of each member is set out below:

Name of Director	**Attendance/ Number of meetings held**
Mr. Hung Hing Man *(Committee Chairman)*	2/2
Mr. Wong Hoi Kuen	2/2
Dr. Chen Shengrong	2/2

The works performed by the Nomination Committee during the year include the following:

- reviewed the Board Diversity Policy;
- reviewed the structure, size and composition of the Board according to the board diversity objectives and the development of the Company and the market situation;
- accessed the independence of independent non-executive Directors;
- made recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company; and
- reviewed the terms of reference of Nomination Committee.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

During the year under review, members of the Audit Committee are Mr. Hung Hing Man (Committee Chairman), Dr. Chen Shengrong and Mr. Wong Hoi Kuen. None of them is a member of the former or existing auditors of the Company. All of the Audit Committee members are independent non-executive Directors.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company's financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group's external auditor. The Audit Committee had reviewed this annual report and confirmed that it complies with the applicable standard, the GEM Listing Rules and other applicable legal requirements and the adequate disclosures have been made. There is no disagreement between the members of the Audit Committee regarding the selection and appointment of external auditors.

During the year of 2023, 4 Audit Committee meetings were held. The attendance of each member is set out below:

Name of Director	**Attendance/ Number of meetings held**
Mr. Hung Hing Man *(Committee Chairman)*	4/4
Mr. Wong Hoi Kuen	4/4
Dr. Chen Shengrong	4/4

The works performed by the Audit Committee during the year include the following:

- reviewed the annual report and the annual results announcement of the Company for the year ended 31 December 2022;
- reviewed the first quarterly report and results announcement of the Company for the three months ended 31 March 2023;
- reviewed the interim report and the interim results announcement of the Company for the six months ended 30 June 2023;
- reviewed the third quarterly report and results announcement of the Company for the nine months ended 30 September 2023;
- reviewed and discussed with the management the risk management and internal control systems of the Group;
- reviewed and discussed with the management the effectiveness of the internal audit of the Company;

- reviewed and discussed with the management the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions;
- reviewed the terms of reference of Audit Committee;
- developed and reviewed the code of conduct and the manuals applicable to employees and Directors;
- recommended to the Board, for approval by shareholders of the Company, the re-appointment of auditors of the Company; and
- discussed with the auditors about the audit plan.

FINANCIAL REPORTING

With the assistance of the accounting department and the sufficient explanation and information provided by the management of the Company, the Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2023 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review. The Directors consider that the financial statements have been prepared in conformity with the statutory requirements including the Hong Kong Companies Ordinances and the Listing Rules and the applicable accounting standards including the International Financial Reporting Standards, Hong Kong Financial Reporting Standards. These statutory requirements and applicable accounting standards have been consistently used and applied and reasonable judgements and estimates are properly made. The Board aims to present a clear and balanced assessments of the Group's performance in the annual, interim and quarterly reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

The Directors' responsibilities for the consolidated financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 63 and 64.

During the year of 2023, the Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year ended 31 December 2023, the remuneration paid or payable to the external auditors of the Company, ZHONGHUI ANDA CPA Limited, in respect of the audit and non-audit services were as follows:

Services rendered	**Fees paid/ payable** (HK$'000)
Audit services	1,050
Non-audit services	590

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares was held by the public.

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations, to safeguard the shareholders' investment and the Group's assets and to ensure strict compliance with relevant laws, rules and regulations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems and reporting to the Board. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness.

Our risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has formulated and adopted risk management policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the senior management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group and in performing the internal audit functions for the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the GEM Listing Rules.

Risk Management Process

In addition to the Board's oversight responsibilities, the Company has developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. Senior management of the Group is responsible for the annual risk reporting process. Independent professional advisor meets with members of the senior management to review and assess risks and discuss solutions to address material internal control defects, including any changes relevant to a given year. Risks are compiled, ratings are assigned and mitigation plans are documented. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review.

Risks are evaluated by the Board and the Group's senior management based on (i) the severity of the impact of the risk on the Company's business operation and financial results; and (ii) the probability that the risk will occur.

Based on the risk evaluation, the Company will manage the risks as follows:

– Risk elimination – the Group's senior management may identify and implement certain changes or controls that in effect eliminate the risk entirely.

– Risk mitigation – the Group's senior management may implement a risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level.

– Risk retention – the Group's senior management may decide that the risk rating is low enough that the risk is acceptable for the Company and that no action is required. The risk would continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

Significant Risks of the Company

Certain significant risks identified during the reporting period and the relevant risk mitigation plans are shown as below:

1. Market competition and innovation risk

The Internet and technology industries are highly competitive with rapid product updates and replacements, and the development of AI-related technologies is progressing rapidly. The development of technologies brings evolutional changes to the existing business models and brings in more new players into the market. The existing market competition landscape may face major changes. Therefore, how to promote innovative and sustainable social values through innovation in technology, product and business model is one of the key challenges of the Company.

The Company attaches great importance to innovation and stays on top of the developments of the industry and user needs, keeps up with the technological development through innovation in frontier technology, and constantly improves the Company's products and services. By attracting and cultivating key talents and increasing investment in scientific research, the Company continuously improves its technology and innovation abilities and brings more cutting-edge technological benefits to the Company's business and products. The Company also continuously optimizes its resource allocation, enhances its core products and business, strengthens its product development and technical capabilities, explores innovative business models, develops products that meet the expectations of both domestic and international markets, continuously improves user experience, promotes sustainable and high-quality development of its businesses and increases its market competitiveness. The Company collaborates with its partners to jointly innovate, enhance service capabilities, and support the ecosystem in order to achieve product service growth and continuous iterative innovation, and create value for users and the society.

2. Global macroeconomic risks

The uncertainty of the global economic trend leads to changes in global markets. In the face of global economic changes, the Company adjusts its business development strategy accordingly, actively seeks and expands business development opportunities, and creates value for its shareholders. The Company also continuously improves its operational efficiency to confront uncertainties arising from the external environment.

3. Regulatory and compliance risk

As the Company continuously expands its businesses, the Company must abide by and comply with the relevant applicable laws and regulations in different jurisdictions, including but not limited to laws and regulations relating to privacy and data protection and labour protection and continue to pay attention to changes in industry laws and regulations. In addition, changes in international circumstances may affect the development of global policies and regulations and impact the development of various industries across different regions. The Company has taken practical steps to devote substantial resources in various areas to ensure the Company's compliance with regulatory requirements. The Company has engaged external professional consultants, kept abreast of the changes to relevant laws and regulations, adjusted strategies accordingly, taken appropriate actions or measures, improved internal training and the understanding of the laws and regulations, and enhanced the corresponding management system and policies to ensure that the Company is in compliance with such applicable laws and regulations.

Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented

The management of the Company has reviewed the Company's risk management and internal control system. The review covers the overall management control, sales, receipts and receivables and human resource and payroll and compliance management of the Group. It was identified that for certain projects, budgeted staff cost should be reviewed periodically and performance measurement should be put in place. A timesheet system should be in place for staff to fill in timesheets to calculate their actual time spent on a project, so that the actual staff cost can be complied for performance review and profit analysis. It will also assist the Group to produce more accurate budgets and provide more accurate information for the sales department to set the sale price.

Further, in view of the Audit Qualification and taking into account the reasons for the Audit Qualification set out in the section headed "Details of the basis of the Audit Qualification" in the Management Discussion and Analysis section of this annual report, the Company will only, to the extent possible, be engaged in projects that the Company has the capacity and technical capability to provide the required services and avoid being engaged in subcontract arrangement. For future projects of the Company of over HK$2million, the relevant business unit will be required to have detail planning from the negotiation stage, such as budgeting, manpower analysis, records of correspondence with counter parties and to provide progress reports to the directors of the Company on regular basis.

During 2021 and 2022, the Company had failed to announce the major transactions and advance to entity and to issue circular and seek Shareholders' approval for the major transactions regarding (i) construction contract on investment properties held by a subsidiary (ii) supplement agreements to extend loans; and (iii) lease of property held by a subsidiary as detailed in the announcement of the Company dated 21 October 2022 and the circular dated 15 February 2023. Such constituted a breach of the GEM Listing Rules. The non-compliance was due to the management's misunderstanding and misinterpretation of Chapters 17 and 19 of the GEM Listing Rules and the non-compliance was inadvertent and unintentional.

During the year, the Company has taken the incident seriously and took the following actions to prevent similar events from re-occurring and to ensure the applicable GEM Listing Rules requirements will be complied with going forward:

Remedial Action No.	Remedial Action	Implementation Date/ Timeline
1.	the Company published the Announcement to inform the public of the transactions disclosed therein	21 October 2022
2.	an EGM to be convened for the Shareholders to consider, and if thought fit, rectify the entering into of the Construction Contract, the Supplemental Agreements and the Lease	1 March 2023
3.	the Company will arrange for training for its employees, including the Directors, the senior management, the business operation and finance departments, to strengthen their familiarity with the GEM Listing Rules and enhance their awareness of compliance with the relevant internal control procedures relating to the Group's notifiable transactions and advance to entity	29 March 2023
4.	the Company will provide detailed guidelines relating to notifiable transactions and advance to entity under the GEM Listing Rules for all the Directors as well as senior management in order to strengthen and reinforce their existing knowledge relating to notifiable transactions and advance to entity as well as their ability to identify potential issues at early stage	Implemented
5.	the Company will set up a reporting guideline such that the staff should evaluate the proposed transactions and report to the relevant personnel if the proposed transactions may constitute notifiable transactions and/or advance to entity and/or in case they are in doubt prior to the entering into of those transactions. The relevant personnel shall further assess the proposed transactions and comply with their reporting obligations as well as submit to the Board for approval	Implemented
6.	the Company will seek advice of external professional advisers from time to time with respect to the continual compliance with the GEM Listing Rules prior to entering into any notifiable transactions or advance to entity	N/A
7.	the Company will also implement the above measures at the subsidiary level to ensure prompt reporting of any proposed transaction(s) or event(s) where the transactions may constitute notifiable transactions or advance to entity	Implemented

Save as disclosed above, the Board considers the Group's risk management and internal control systems were effective during the year. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") in June 2022. The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2023 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "Anti-corruption Policy") in June 2022. The Group is committed to achieving the high standards of integrity and ethical behaviour in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

COMPANY SECRETARY

As at 31 December 2023, the Company Secretary of the Company, Ms. Lam Mei Wai Michelle, fulfilled the requirement under Rules 5.14 and 5.15 of the GEM Listing Rules. As an employee of the Company, the Company Secretary supports and reports directly to the Chairman of Board, ensures good information flow within the Board and the board committees while board policies and procedures are followed; advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of directors. She has attained not less than fifteen hours of relevant professional training during the year. Her biography is set out in the "Biographical Information of Directors and Senior Management" section of this annual report.

The Board approves the selection, appointment or dismissal of the secretary in board meetings. All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

INSIDE INFORMATION

Guidelines are provided to the Directors, management and relevant staff (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The procedures include, among others, regularly remind the Directors, management and relevant staff about the compliance with the securities dealing restrictions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules and the notification of the blackout period applicable to the publication of the annual, interim and quarterly results of the Company respectively.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

DIVIDEND POLICY

The dividend policy of the Company has been adopted on 31 December 2018 which sets out the factors in determination of dividend payment of the Company (the "Dividend Policy").

Under the Dividend Policy, the declaration and payment of dividends shall be in accordance with the applicable laws and the relevant provisions of articles of association of the Company effective from time to time.

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, the Group's earnings, reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Company in their long-term development, the financial conditions, business plan, future operations and earnings, capital requirement and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Group's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

The Company will continually review the Dividend Policy as appropriate from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

SHAREHOLDERS' RIGHTS

In accordance with the Company's Article 58, any shareholder or shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

Shareholders may put forward their enquiries about the Company to the Board or the Company Secretary at the Company's head office in Hong Kong.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board is committed to maintaining a high degree of corporate transparency, as well as establishing a policy of open communication with shareholders having the aim to ensure shareholders be provided with information about the Company and enable them to engage actively with the Company and to exercise their rights.

The Company communicates with shareholders and investors through various channels including Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, for enquiries of shareholding, the Company Secretary of the Company for direct enquiries and publication of quarterly, interim and annual reports, announcements, circulars and other corporate information available on the websites of the Stock Exchange and/or the Company.

The Company's general meeting provides valuable opportunities for the Board to have face-to-face communication with the shareholders. The Company encourages the participation of the shareholders through annual general meeting and other general meetings where the shareholders exchange views with the Board, and to exercise their rights to vote at meetings.

The Board has reviewed the implementation and effectiveness of the Communication Policy with Shareholders including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Communication Policy with Shareholders has been properly implemented during the year under review and is effective.

During the Year, there was no significant change in the Company's constitutional documents which is available on the websites of the Company and the Stock Exchange.

We welcome shareholders and potential investors to visit the Company's website at www.citd.com.hk to obtain up-to-date information regarding the Company.

ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Independent Auditor's Report

To the shareholders of
China Information Technology Development Limited
(Incorporated in the Cayman Islands with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of China Information Technology Development Limited (the "Company") and its subsidiaries (collectively refer to as the "Group") set out on pages 65 to 142, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its consolidated financial performance and its 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

The Group entered into technical knowhow license and servicing agreements with two customers to provide technical knowhow and related services with contract sum of United States Dollar ("USD") 87 million and service period of 3 years. During the year ended 31 December 2023, the Group received advances in the form of cryptocurrency amounting to Tether ("USDT") 12,028,000 and Binance USD ("BUSD") 62,000 (equivalent to approximately HK$94,299,000) from these two customers. The Group also engaged a service provider for the development of such technical knowhow and deposited to the service provider in the form of cryptocurrency amounting to USDT12,028,000 and BUSD62,000 (equivalent to approximately HK$94,299,000).

During the year ended 31 December 2023, a certain portion of the services were provided and delivered to the customers. The revenue of USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (USDT12,028,000 and BUSD62,000) were recorded on a net basis since management considered the Group is an agency in these transactions.

In November 2023, the management of the Group has decided to terminate these technical knowhow license and servicing agreements.

The Group has not maintained sufficient documentations on the above transactions. We were unable to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the above transactions. Any adjustment to this figure might have a consequential effect on the consolidated financial performance for the year ended 31 December 2023.

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 Company 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Investment properties

Refer to note 16 to the consolidated financial statements.

The Group measured its investment properties at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investment properties of approximately HK$244,259,000 as at 31 December 2023 and change in fair value of investment properties of approximately HK$5,536,000 for the year ended 31 December 2023 are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

– Assessing the competence, independence and integrity of the external valuer engaged by the Group;

– Obtaining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;

– Checking key assumptions and input data in the valuation model to supporting evidence;

– Checking arithmetical accuracy of the valuation model; and

– Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the investment properties is supported by the available evidence.

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the revenue and costs (recorded on a net basis) of certain transactions. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 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.

Independent Auditor's Report

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:
https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre
This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Fong Tak Ching
Audit Engagement Director
Practising Certificate Number P06353
Hong Kong, 25 March 2024

Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

	Notes	**2023 HK$'000**	2022 HK$'000 (Restated)
Continuing operations			
REVENUE	*6&7*	**49,228**	59,324
Cost of sales and services		**(26,660)**	(41,923)
Gross profit		**22,568**	17,401
Bank and other interest income		**2,558**	7,272
Other income and gains	*8*	**914**	1,555
Selling and distribution expenses		**(8,990)**	(18,206)
Administrative expenses		**(38,979)**	(28,124)
Gain on initial recognition of bond	*35*	**3,826**	–
Gain on disposal of a subsidiary	*40(b)*	**7,156**	–
Gain on early settlement of loan receivables		**–**	30
Loss of early redemption of promissory notes		**–**	(2,052)
Equity-settled share-based payment expenses		**(931)**	(1,172)
Fair value gain/(loss) on investments at fair value through profit or loss		**29**	(3,019)
Change in fair value of investment properties		**(5,536)**	(49,393)
Finance costs	*9*	**(5,589)**	(11,545)
LOSS BEFORE TAX	*10*	**(22,974)**	(87,253)
Income tax credit	*12*	**80**	1,388
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(22,894)**	(85,865)
Discontinued operation			
(Loss)/profit for the year from discontinued operation	*14*	**(1,879)**	253
LOSS FOR THE YEAR		**(24,773)**	(85,612)

Consolidated Statement of Profit or Loss *(Continued)*

For the year ended 31 December 2023

	Note	**2023 HK$'000**	2022 HK$'000 (Restated)
Attributable to:			
Owners of the Company			
Loss from continuing operations		**(20,876)**	(82,548)
(Loss)/profit from discontinued operation		**(1,879)**	253
Loss attributable to owners of the Company		**(22,755)**	(82,295)
Non-controlling interests			
Loss from continuing operations		**(2,018)**	(3,317)
(Loss)/profit from discontinued operation		**–**	–
Loss attributable to non-controlling interests		**(2,018)**	(3,317)
		(24,773)	(85,612)
(LOSS)/EARNINGS PER SHARE	*15*		
From continuing and discontinued operations			
– basic		**HK(38.6) cents**	HK(170.5) cents
– diluted		**HK(38.6) cents**	HK(170.5) cents
From continuing operations			
– basic		**HK(35.4) cents**	HK(171.0) cents
– diluted		**HK(35.4) cents**	HK(171.0) cents
From discontinued operation			
– basic		**HK(3.2) cents**	HK0.5 cents
– diluted		**HK(3.2) cents**	HK0.5 cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	2023	2022
	HK$'000	HK$'000
LOSS FOR THE YEAR	**(24,773)**	(85,612)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**(5,377)**	(20,379)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	**(385)**	–
Items that will not be reclassified to profit or loss:		
Change in fair value of equity investments at fair value through other comprehensive income	**(6,953)**	2,724
Income tax on items that will not be reclassified to profit or loss	**–**	(837)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX	**(12,715)**	(18,492)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(37,488)**	(104,104)
Attributable to:		
Owners of the Company	**(35,499)**	(100,871)
Non-controlling interests	**(1,989)**	(3,233)
	(37,488)	(104,104)

Consolidated Statement of Financial Position

At 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
NON-CURRENT ASSETS			
Investment properties	*16*	**244,259**	256,671
Property, plant and equipment	*17*	**1,052**	1,185
Goodwill	*18*	**6,504**	6,504
Right-of-use assets	*19*	**2,938**	4,886
Other intangible assets	*20*	**2,555**	3,861
Equity investments at fair value through other comprehensive income	*21*	**10,900**	43,025
Prepayments, deposits and other receivables	*22*	**1,202**	11,062
Deferred tax assets	*23*	**5,522**	5,456
Total non-current assets		**274,932**	332,650
CURRENT ASSETS			
Inventories	*24*	**121**	55
Trade receivables	*25*	**15,584**	18,398
Prepayments, deposits and other receivables	*22*	**47,094**	11,754
Loan receivables	*26*	**–**	90,644
Investments at fair value through profit or loss	*27*	**558**	1,394
Current tax assets		**–**	12
Bank and cash balances	*28*	**11,595**	13,877
Total current assets		**74,952**	136,134
CURRENT LIABILITIES			
Trade payables	*29*	**3,455**	10,302
Contract liabilities	*30*	**1,566**	10,752
Other payables and accruals	*31*	**15,825**	13,510
Bank and other loans	*32*	**43,498**	54,035
Promissory note payables	*33*	**–**	66,288
Lease liabilities	*34*	**2,219**	2,233
Total current liabilities		**66,563**	157,120
NET CURRENT ASSETS/(LIABILITIES)		**8,389**	(20,986)
TOTAL ASSETS LESS CURRENT LIABILITIES		**283,321**	311,664

Consolidated Statement of Financial Position *(Continued)*

At 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
NON-CURRENT LIABILITIES			
Bonds	*35*	**4,547**	–
Lease liabilities	*34*	**811**	2,691
Loan from a shareholder	*36*	**–**	3,323
Bank and other loans	*32*	**16,988**	13,314
Amount due to a director	*37*	**–**	700
Deferred tax liabilities	*23*	**35**	4,895
Contract liabilities	*30*	**–**	10,550
Total non-current liabilities		**22,381**	35,473
NET ASSETS		**260,940**	276,191
CAPITAL AND RESERVES			
Share capital	*38*	**6,177**	5,147
Reserves	*42*	**264,582**	278,874
Equity attributable to owners of the Company		**270,759**	284,021
Non-controlling interests		**(9,819)**	(7,830)
TOTAL EQUITY		**260,940**	276,191

Approved by the Board of Directors on 25 March 2024

Wong King Shiu, Daniel
Director

Chang Ki Sum, Clark
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

		Attributable to owners of the Company								
	Notes	Share Capital HK$'000	Share premium account HK$'000 *(note 42(a)(i))*	Share-based payment reserve HK$'000 *(note 42(a)(iii))*	Foreign currency translation reserve HK$'000 *(note 42(a)(ii))*	Investment revaluation reserve HK$'000 *(note 42(a)(iv))*	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2022		3,431	135,041*	2,892*	12,856*	15,421*	189,218*	358,859	(4,597)	354,262
Loss for the year		–	–	–	–	–	(82,295)	(82,295)	(3,317)	(85,612)
Other comprehensive (loss)/income for the year:										
– Exchange differences on translation of foreign operations		–	–	–	(20,463)	–	–	(20,463)	84	(20,379)
– Change in fair value of equity investments at fair value through other comprehensive income		–	–	–	–	2,724	–	2,724	–	2,724
– Income tax on items that will not be reclassified to profit or loss		–	–	–	–	(837)	–	(837)	–	(837)
Total comprehensive (loss)/income for the year		–	–	–	(20,463)	1,887	(82,295)	(100,871)	(3,233)	(104,104)
Issue of shares under rights issue (net of expenses on issue of shares)	*38*	1,716	23,145	–	–	–	–	24,861	–	24,861
Equity-settled share-based payment	*39*	–	–	1,172	–	–	–	1,172	–	1,172
At 31 December 2022 and 1 January 2023		**5,147**	**158,186***	**4,064***	**(7,607)***	**17,308***	**106,923***	**284,021**	**(7,830)**	**276,191**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**(22,755)**	**(22,755)**	**(2,018)**	**(24,773)**
Other comprehensive (loss)/income for the year:										
– Exchange differences reclassified to profit or loss on disposal of subsidiaries		**–**	**–**	**–**	**(385)**	**–**	**–**	**(385)**	**–**	**(385)**
– Exchange differences on translation of foreign operations		**–**	**–**	**–**	**(5,406)**	**–**	**–**	**(5,406)**	**29**	**(5,377)**
– Change in fair value of equity investments at fair value through other comprehensive income		**–**	**–**	**–**	**–**	**(6,953)**	**–**	**(6,953)**	**–**	**(6,953)**
Total comprehensive loss for the year		**–**	**–**	**–**	**(5,791)**	**(6,953)**	**(22,755)**	**(35,499)**	**(1,989)**	**(37,488)**
Disposal of subsidiaries		**–**	**–**	**–**	**–**	**(13,457)**	**13,457**	**–**	**–**	**–**
Issue of shares under placing, net of shares issue costs	*38*	**765**	**13,540**	**–**	**–**	**–**	**–**	**14,305**	**–**	**14,305**
Issue of shares under share swap	*38*	**265**	**6,736**	**–**	**–**	**–**	**–**	**7,001**	**–**	**7,001**
Lapsed of share options		**–**	**–**	**(181)**	**–**	**–**	**181**	**–**	**–**	**–**
Equity-settled share-based payment	*39*	**–**	**–**	**931**	**–**	**–**	**–**	**931**	**–**	**931**
At 31 December 2023		**6,177**	**178,462***	**4,814***	**(13,398)***	**(3,102)***	**97,806***	**270,759**	**(9,819)**	**260,940**

Note:

* These reserve accounts comprise the consolidated reserve of approximately HK$264,582,000 (2022: approximately HK$278,874,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	2023 **HK$'000**	2022 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	**(22,974)**	(87,253)
(Loss)/profit before tax from discontinued operation	**(1,604)**	261
Loss before tax	**(24,578)**	(86,992)
Adjustments for:		
Equity-settled share-base payment expenses	**931**	1,172
Finance costs	**5,592**	11,548
Bank and other interest income	**(2,563)**	(7,272)
Change in fair value of investment properties	**5,536**	49,393
Fair value (gain)/loss on investments at fair value through profit or loss	**(29)**	3,019
Dividends received from investments at fair value through profit or loss	**–**	(15)
Depreciation of property, plant and equipment	**746**	1,454
Depreciation of right-of-use assets	**2,454**	2,541
Amortisation of other intangible assets	**866**	866
Gain on early settlement of loan receivables	**–**	(30)
Loss on early redemption of promissory notes	**–**	2,052
Written off of property, plant and equipment	**13**	–
Gain on disposal of property, plant and equipment	**(80)**	–
Gain on initial recognition of bond	**(3,826)**	–
Gain on disposal of a subsidiary	**(7,156)**	–
Loss on disposal of discontinued operation	**4,308**	–
Operating loss before working capital change	**(17,786)**	(22,264)
Change in inventories	**(66)**	1,222
Change in trade receivables	**2,814**	(4,369)
Change in loan receivables	**1,746**	2,983
Change in prepayments, deposits and other receivables	**20,304**	(1,670)
Change in investments at fair value through profit or loss	**865**	13,263
Change in trade payables	**(6,847)**	3,906
Change in other payables and accruals	**1,560**	(14,605)
Change in contract liabilities	**(19,736)**	16,961
Cash used in from operations	**(17,146)**	(4,573)
Tax paid	**(14)**	(119)
Loan interest paid	**(2,237)**	(2,205)
Net cash used in operating activities	**(19,397)**	(6,897)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 December 2023

	2023 HK$'000	2022 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(638)**	(54)
Proceeds from disposal of property, plant and equipment	**80**	–
Payments for construction works of investment properties	**–**	(52,494)
Repayment of loan receivables	**–**	830
Bank interest received	**31**	11
Dividends received from investments at fair value through profit or loss	**–**	15
Proceeds of disposal of subsidiaries	**6,556**	–
Net cash generated from/(used in) investing activities	**6,029**	(51,692)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from independent third parties	**4,247**	13,094
Repayment of lease liabilities	**(2,400)**	(2,633)
Lease interest paid	**(208)**	(160)
Proceeds from issue of shares (net of expenses on issue of shares)	**14,305**	24,861
Proceeds from issue of bond	**8,252**	–
Repayment of promissory notes	**–**	(11,000)
Repayment of amount advance from a director	**(700)**	(676)
Repayment of amount advance from a shareholder	**(3,000)**	–
Bank loan raised	**–**	56,536
Repayment of bank and other loans	**(9,049)**	(14,418)
Net cash generated from financing activities	**11,447**	65,604
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(1,921)**	7,015
Cash and cash equivalents at beginning of year	**13,877**	6,714
Effect of foreign exchange rate changes	**(361)**	148
CASH AND CASH EQUIVALENTS AT END OF YEAR	**11,595**	13,877
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances other than time deposits	**11,595**	13,877

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Company and its subsidiaries (collectively the "Group") were principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, money lending, rental of properties and securities trading.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 43 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs and the applicable disclosures requirements under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and investment properties which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors of the Company to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 4 to these consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in consolidated other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Discontinued operations

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss and other comprehensive income, which comprises:

– The post-tax profit or loss of the discontinued operation; and

– The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currency translation *(Continued)*

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

(iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property (including property that is being constructed or developed for future use as investment property) is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in consolidated profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in consolidated profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates or useful live are as follows:

Leasehold improvements	Over the lease terms or 5 years, whichever is shorter
Furniture, fixtures and equipment	18% – 30%
Motor vehicles	10% – 20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in consolidated profit or loss.

Leases

The Group as lessor

Operating leases: leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land and buildings	Over the lease term of 1 year to 3 years

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as lessee *(Continued)*

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US$5,000.

Intangible assets

Customer relationships

Customer relationships are stated at cost less any accumulated impairment losses and are amortised on the straight-line basis over their estimated useful life of 10 years. Impairment is reviewed when there is any indication that the customer relationships have suffered an impairment loss.

Money lending license

Money lending license with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the money leading license has suffered an impairment loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. 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.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

— Financial assets at amortised cost;

— Equity investments at fair value through other comprehensive income; and

— Investments at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

— the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial assets *(Continued)*

(ii) Equity investments at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Loss allowances for expected credit losses *(Continued)*

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings, promissory note and bonds

Borrowings, promissory note and bonds are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings, promissory note and bonds are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

— the customer simultaneously receives and consumes the benefits provided by the Group's performance;

— the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

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

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

Government grants

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains".

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Employee benefits

(a) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to consolidated profit or loss represents contributions payable by the Group to the funds.

The Group also participates in a defined contribution retirement scheme organised by the government in the People's Republic of China ("PRC"). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to consolidated profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments *(Continued)*

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-based payment reserve is transferred to retain earnings.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in consolidated profit or loss in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in consolidated profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of assets

Intangible assets that have an indefinite useful life are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, deferred tax assets, investment properties, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS

Key sources of estimation uncertainty

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

(a) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to the estimates used in valuation would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

(b) Provision for impairment of trade, loan and other receivables

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade, loan and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade, loan and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(c) Fair value of equity investments at fair value through other comprehensive income

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's investment in equity investments at fair value through other comprehensive income (the "Equity Investments"), details of which are set out in note 21 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the equity investments. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factor could result in material adjustments to the fair value of the Equity Investment.

(d) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing for the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Changing the assumptions and estimations, including the discount rate could materially affect the recoverable amounts.

(e) Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Property, plant and equipment/other intangible assets and depreciation/amortisation

The Group determines the estimated useful lives, residual values and related depreciation/amortisation charges for the Group's property, plant and equipment/other intangible assets. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment/other intangible assets of similar nature and functions. The Group will revise the depreciation/amortisation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(g) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate and growth rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

(h) Deferred tax assets

As at 31 December 2023, a deferred tax asset of approximately HK$5,910,000 (2022: approximately HK$5,973,000) in relation to unused tax losses has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK$190,418,000 (2022: approximately HK$163,163,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under 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. Therefore, in determining the Group's deferred tax for investment properties, the directors have rebutted the presumption that investment properties measured using the fair value model are recovered through sale.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Price risk

The Group's investments at fair value through profit or loss and equity investments at fair value through other comprehensive income are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The directors of the Company manage this exposure by maintaining a portfolio of investments with difference risk profiles.

At 31 December 2023, if the share prices of the investments at fair value through profit or loss increase/decrease by 10%, loss after tax for the year would have been approximately HK$47,000 (2022: approximately HK$116,000) lower/higher, arising as a result of the fair value gain/loss of the investments. If the share process of the equity investments at fair value through other comprehensive income increase/decrease by 10%, other comprehensive loss for the year would have been approximately HK$85,000 lower/higher, arising as a result of the fair value gain/loss of the investments.

(c) Credit risk

The carrying amount of the bank and cash balances, trade and other receivables and investments included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has no significant concentrations of credit risk.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk *(Continued)*

It has policies in place to ensure that sales and loans are made to customers with an appropriate credit history.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on investments is limited because the counterparties are well-established securities broker firms and issuers in Hong Kong.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

— internal credit rating;

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

— actual or expected significant changes in the operating results of the borrower;

— significant increases in credit risk on other financial instruments of the same borrower;

— significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and

— significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk *(Continued)*

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The maturity analysis of the Group's financial liabilities is as follows:

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
At 31 December 2023					
Trade payables	**3,455**	**–**	**–**	**–**	**3,455**
Other payables and accruals	**15,257**	**–**	**–**	**–**	**15,257**
Bank and other loans	**43,498**	**11,817**	**8,992**	**–**	**64,307**
Lease liabilities	**2,322**	**822**	**–**	**–**	**3,144**
Bonds	**–**	**–**	**–**	**24,750**	**24,750**
	64,532	**12,639**	**8,992**	**24,750**	**110,913**
At 31 December 2022					
Trade payables	10,302	—	—	—	10,302
Other payables and accruals	13,042	—	—	—	13,042
Bank and other loans	54,035	9,701	5,973	—	69,709
Promissory note payables	71,889	—	—	—	71,889
Lease liabilities	2,435	1,977	821	—	5,233
Loan from a shareholder	—	3,413	—	—	3,413
Amount due to a director	—	700	—	—	700
	151,703	15,791	6,794	—	174,288

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Interest rate risk

At 31 December 2023, the Group's other loan of approximately HK$5,209,000 (2022: approximately HK$4,503,000), loan from a shareholder of nil (2022: approximately HK$3,323,000), promissory note payables of nil (2022: approximately HK$66,288,000) and bonds of approximately HK$4,547,000 bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

At 31 December 2023, the Group's exposure to interest-rate risk arises from its bank balances of approximately HK$11,595,000 (2022: approximately HK$13,870,000) and bank loan of approximately HK$43,460,000 (2022: approximately HK$53,144,000). These bank balances and bank loan bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2023, if interest rates at that date had been 50 basis points lower with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$215,000 (2022: approximately HK$260,000) lower (2022: lower), arising mainly as a result of lower interest expenses on bank loans. If interest rates had been 50 basis points higher, with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$159,000 (2022: approximately HK$196,000) higher (2022: higher), arising mainly as a result of higher interest expenses on bank loans.

(f) Categories of financial instruments

	2023	2022
	HK$'000	HK$'000
Financial assets:		
Equity investments at fair value through other comprehensive income	**10,900**	43,025
Investments at fair value through profit or loss — Mandatorily measured	**558**	1,394
Financial assets at amortised cost (including bank and cash balances)	**74,631**	126,977
Financial liabilities:		
Financial liabilities at amortised costs	**83,745**	161,004

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy

	Fair value measurements using:			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
At 31 December 2023				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
— Listed equity securities in Hong Kong	**55**	**–**	**–**	**55**
— Listed equity securities outside Hong Kong	**503**	**–**	**–**	**503**
Equity investments at fair value through other comprehensive income				
— Listed equity securities outside Hong Kong	**1,023**	**–**	**–**	**1,023**
— Private equity investment	**–**	**–**	**9,877**	**9,877**
Investment properties				
Commercial — PRC	**–**	**–**	**244,259**	**244,259**
Total recurring fair value measurement	**1,581**	**–**	**254,136**	**255,717**

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(a) Disclosures of level in fair value hierarchy (Continued)

	Fair value measurements using:			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2022				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
— Listed equity securities in Hong Kong	1,330	—	—	1,330
— Listed equity securities outside Hong Kong	64	—	—	64
Equity investments at fair value through other comprehensive income				
— Private equity investment	—	—	43,025	43,025
Investment properties				
Commercial — PRC	—	—	256,671	256,671
Total recurring fair value measurement	1,394	—	299,696	301,090

(b) Reconciliation of assets measured at fair value based on level 3:

At 31 December 2023

Description	Equity investments at fair value through other comprehensive income HK$'000	Investment properties HK$'000	Total HK$'000
At beginning of year	**43,025**	**256,671**	**299,696**
Total losses recognised in			
— consolidated profit or loss[#]	**–**	**(5,536)**	**(5,536)**
— other comprehensive income	**(975)**	**–**	**(975)**
Disposals of subsidiaries *(note 40(b))*	**(32,311)**	**–**	**(32,311)**
Exchange realignment	**138**	**(6,876)**	**(6,738)**
At end of year	**9,877**	**244,259**	**254,136**
[#] Include gains or losses for assets held at end of reporting period	**–**	**(5,536)**	**(5,536)**

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(b) Reconciliation of assets measured at fair value based on level 3: *(Continued)*

At 31 December 2022

Description	Equity investments at fair value through other comprehensive income HK$'000	Investment properties HK$'000	Total HK$'000
At beginning of year	42,857	273,607	316,464
Total gains/(losses) recognised in			
— consolidated profit or loss#	—	(49,393)	(49,393)
— other comprehensive income	2,724	—	2,724
Additions	–	52,494	52,494
Exchange realignment	(2,556)	(20,037)	(22,593)
At end of year	43,025	256,671	299,696
# Include gains or losses for assets held at end of reporting period	—	(49,393)	(49,393)

Total gains or losses recognised in profit or loss including those for asset held at end of reporting period are presented in the consolidated statement of profit or loss.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: *(Continued)*

As at 31 December 2023

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB40-122 per square meter	Increase	244,259
		Monthly market rent	RMB102 per square meter	Increase	
		Term yield rate	3.25%	Decrease	
		Reversionary yield rate	3.50%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	Discounted cash flow	Weighted average cost of capital	13.11%	Decrease	9,877
		Discount for lack of marketability	20.5%	Decrease	

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: *(Continued)*

At 31 December 2022

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB72-122 per square meter	Increase	256,671
		Monthly market rent	RMB89 per square meter	Increase	
		Term yield rate	3.00%	Decrease	
		Reversionary yield rate	3.25%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	(i) Investment method (for properties)	Capitalization rate	7.70%	Decrease	32,173
		Monthly market rent	RMB38 per square meter	Increase	
		Monthly rental income	RMB39-72 per square meter	Increase	
	(ii) Direct comparison method (for land)	Market price	RMB1,200 per square meter	Increase	
		Reversionary yield rate	7.5%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	Discounted cash flow	Weighted average cost of capital	12.90%	Decrease	10,852
		Discount for lack of marketability	20.6%	Decrease	

During the two years, there were no changes in the valuation techniques used.

6. OPERATING SEGMENT INFORMATION

The Group has four reportable segments as follows:

— provision of IT infrastructure solutions and maintenance services ("IT solutions and maintenance");

— money lending (discontinued operation);

— Securities trading ("Securities investments"); and

— rental of properties.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include bank and other interest income, finance costs as well as head office and corporate expenses. Segment assets do not include other unallocated head office and corporate assets. Segment liabilities do not include other loans, current tax liabilities and other unallocated head office and corporate liabilities.

	Continuing operations								Discontinued operation			
	IT solutions and maintenance		Securities investments		Rental of properties		Total		Money lending		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:												
Sales to external customers	**38,043**	48,066	**–**	–	**11,185**	11,258	**49,228**	59,324	**2,860**	3,633	**52,088**	62,957
Segment (loss)/profit	**(13,762)**	(31,595)	**1**	(3,131)	**4,560**	(40,904)	**(9,201)**	(75,630)	**(1,606)**	264	**(10,807)**	(75,366)
Reconciliation:												
Bank and other interest income							**2,558**	7,272	**5**	–	**2,563**	7,272
Corporate and other unallocated expenses and gains							**(10,742)**	(7,350)	**–**	–	**(10,742)**	(7,350)
Finance costs							**(5,589)**	(11,545)	**(3)**	(3)	**(5,592)**	(11,548)
(Loss)/profit before tax							**(22,974)**	(87,253)	**(1,604)**	261	**(24,578)**	(86,992)

6. OPERATING SEGMENT INFORMATION *(Continued)*

	Continuing operations								Discontinued operation			
	IT solutions and maintenance		Securities investments		Rental of properties		Total		Money lending		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets:	**44,226**	134,124	**615**	1,454	**258,152**	269,002	**302,993**	404,580	**–**	31,610	**302,993**	436,190
Reconciliation:												
Corporate and other unallocated assets											**46,891**	32,594
Total assets											**349,884**	468,784
Segment liabilities:	**(21,750)**	(114,864)	**(38)**	(891)	**(52,571)**	(59,927)	**(74,359)**	(175,682)	**–**	(113)	**(74,359)**	(175,795)
Reconciliation:												
Corporate and other unallocated liabilities											**(14,585)**	(16,798)
Total liabilities											**(88,944)**	(192,593)
Other segment information:												
Depreciation on:												
Segment assets	**982**	1,240	**–**	–	**3**	1	**985**	1,241	**112**	125	**1,097**	1,366
Corporate and other unallocated assets											**2,103**	2,629
											3,200	3,995
Amortisation of other intangible assets on:												
Segment assets	**866**	866	**–**	–	**–**	–	**866**	866	**–**	–	**866**	866
Income tax credit/(charge)							**80**	1,388	**(275)**	(8)	**(195)**	1,380
Capital expenditure on:												
Segment assets	**50**	38	**–**	–	**–**	52,504	**50**	52,542	**–**	–	**50**	52,542
Corporate and other unallocated assets											**588**	6
											638	52,548

6. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

	Revenue		Non-current assets	
	2023	2022	**2023**	2022
	HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000
Hong Kong	**38,800**	51,531	**12,870**	25,913
PRC except Hong Kong	**13,288**	11,426	**245,053**	257,669
	52,088	62,957	**257,923**	283,582
Discontinued operation	**(2,860)**	(3,633)	**–**	–
Consolidated total	**49,228**	59,324	**257,923**	283,582

In presenting the geographical information, revenue is based on the locations of the customers and information about the non-current assets, except equity investments at fair value through other comprehensive income, deferred tax assets and loan receivables classified in accordance with geographical location of the assets at the end of the reporting period.

Information about major customers

The Group had transaction with one (2022: one) external customer of the rental properties segment and no (2022: two) external customer of the IT solution and maintenance segment during the year ended 31 December 2023 who contributed over 10% of the Group's total revenue for the year. A summary of revenue earned from each of these major external customers is set out below:

	2023	2022
	HK$'000	HK$'000
Customer 1	**11,185**	11,258
Customer 2	**N/A**	11,738
Customer 3	**N/A**	9,718

7. REVENUE

The Group's revenue which represents (1) the aggregate of the invoiced value of goods sold, net of value-added tax and government surcharges, and after allowances for returns and trade discounts; (2) an appropriate proportion of contract revenue from the provision of the technical support and maintenance services, net of business tax and government surcharges; (3) an appropriate proportion of contract revenue from the provision of software development and system integration services, net of value-added tax, business tax and government surcharges; (4) rental income; and (5) loan interest income are as follows:

7. REVENUE *(Continued)*

	2023 HK$'000	2022 HK$'000
Sale of computer hardware and software	**17,324**	14,728
Provision of technical support and maintenance services	**20,719**	33,338
Provision of property management services	**5,532**	5,329
Revenue from contracts with customers	**43,575**	53,395
Rental income	**5,653**	5,929
Loan interest income	**2,860**	3,633
Total revenue	**52,088**	62,957
Representing:		
Continuing operations	**49,228**	59,324
Discontinued operation *(note 14)*	**2,860**	3,633
	52,088	62,957

Disaggregation of revenue from contracts with customers:

Geographical markets		
Hong Kong	**35,940**	47,898
PRC except Hong Kong	**7,635**	5,497
Total	**43,575**	53,395
Major products/services		
Sale of computer hardware and software	**17,324**	14,728
Provision of technical support and maintenance services	**20,719**	33,338
Provision of property management services	**5,532**	5,329
Total	**43,575**	53,395
Timing of revenue recognition		
At a point in time	**17,324**	14,728
Over time	**26,251**	38,667
Total	**43,575**	53,395

7. REVENUE *(Continued)*

Sale of computer hardware and software

The Group sells computer hardware and software to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Provision of services

The Group provides software development, system integration, technical support and maintenance services to the customers. When the progress towards complete satisfaction of the performance obligations of a contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

Provision of property management services

Property management services fees recognised on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The property management services fees are due on the end of each month.

8. OTHER INCOME AND GAINS

	Notes	2023 HK$'000	2022 HK$'000
Dividend income		**—**	15
Government grant	*(i)*	**—**	759
Gain on disposal of property, plant and equipment		**80**	—
Income from agency services	*(ii)*	**—**	—
Others		**834**	781
		914	1,555
Representing:			
Continuing operations		**914**	1,555
Discontinued operation		**–**	–
		914	1,555

Notes:

(i) During the year, the Group received government grants of nil (2022: HK$759,000) under the Employment Support Scheme provided by the Hong Kong government.

(ii) During the year, the Group provided agency services in relation to technical knowhow services to certain customers. The revenue of approximately USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of approximately USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (USDT12,028,000 and BUSD62,000) were recorded on a net basis.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	HK$'000	HK$'000
Interest on other loans	**581**	344
Interest on bank loans	**1,883**	2,241
Interest on bonds	**121**	—
Lease interest	**208**	160
Imputed interest on promissory notes	**2,799**	8,803
	5,592	11,548
Representing:		
Continuing operations	**5,589**	11,545
Discontinued operation *(note 14)*	**3**	3
	5,592	11,548

10. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging:

	2023	2022
	HK$'000	HK$'000 (Restated)
Cost of inventories sold	**21,391**	38,842
Cost of services provided	**5,269**	3,081
Depreciation of property, plant and equipment	**746**	1,453
Depreciation of right-of-use assets	**2,342**	2,417
Amortisation of other intangible assets	**866**	866
Expenses related to short-term leases	**506**	608
Auditors' remuneration	**1,050**	850
Employee benefit expense (including directors' remuneration — note 11):		
Salaries, allowances and benefits in kind	**19,518**	19,024
Pension schemes contribution	**1,295**	1,287
Equity-settled share-based payment expenses	**931**	1,100
	21,744	21,411
Equity-settled share-based payment to consultants	**—**	72
Foreign exchange differences, net	**241**	556
Research and development expenses	**8,256**	17,224

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of each director were as follows:

(a) Directors' emoluments

	Note	Fees	Salaries, allowances and benefits in kind	Pension schemes contribution	Equity-settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (ii))*	As management *(Note (iii))*	Total
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2023								
Executive directors:								
Mr. Wong King Shiu, Daniel		**160**	**840**	**18**	**165**	—	—	**1,183**
Mr. Chang Ki Sum, Clark		**160**	**500**	**18**	**166**	—	—	**844**
		320	**1,340**	**36**	**331**	—	—	**2,027**
Independent non-executive directors:								
Dr. Chen Shengrong		**160**	**–**	**–**	**–**	—	—	**160**
Mr. Hung Hing Man		**160**	**–**	**–**	**–**	—	—	**160**
Mr. Wong Hoi Kuen		**160**	**–**	**–**	**–**	—	—	**160**
		480	**–**	**–**	**–**	—	—	**480**
Non-executive director:								
Hon Li Sai Wing, *JP, MH*	*(i)*	**240**	**–**	**–**	**122**	—	—	**362**
Total		**1,040**	**1,340**	**36**	**453**	—	—	**2,869**

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

	Note	Fees	Salaries, allowances and benefits in kind	Pension schemes contribution	Equity-settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (ii))*	As management *(Note (iii))*	Total
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2022								
Executive directors:								
Mr. Wong King Shiu, Daniel		160	840	18	246	—	—	1,264
Mr. Chang Ki Sum, Clark		160	480	18	52	—	—	710
		320	1,320	36	298	—	—	1,974
Independent non-executive directors:								
Dr. Chen Shengrong		160	—	—	24	—	—	184
Mr. Hung Hing Man		160	—	—	24	—	—	184
Mr. Wong Hoi Kuen		160	—	—	24	—	—	184
		480	—	—	72	—	—	552
Non-executive director:								
Hon Li Sai Wing, *JP, MH*	*(i)*	44	—	—	—	—	—	44
Total		844	1,320	36	370	—	—	2,570

Note:

(i) Appointed on 26 October 2022.

(ii) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company.

(iii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

During the year, no emoluments were paid by the Group to any of the directors of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals in the Group during the year included two (2022: two) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining three (2022: three) individuals are set out below:

	2023	2022
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,328**	2,201
Pension schemes contribution	**36**	36
Equity settled share-based payment	**43**	—
	2,407	2,237

Their emoluments were within the following band:

	Number of individuals	
	2023	2022
Nil — HK$1,000,000	**3**	3

During the year, no emoluments were paid by the Group to the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX CREDIT

	2023	2022
	HK$'000	HK$'000
Current tax — Hong Kong	**275**	8
Deferred tax credit *(note 23)*	**(80)**	(1,388)
	195	(1,380)
Representing:		
Continuing operations	**(80)**	(1,388)
Discontinued operation *(note 14)*	**275**	8
	195	(1,380)

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2023 (2022: 16.5%).

12. INCOME TAX CREDIT *(Continued)*

No provision for PRC corporate income tax was required since the Group had no assessable profit for the year ended 31 December 2023 and 31 December 2022.

The reconciliation between the income tax credit and the product of loss before tax multiplied by tax rates applicable to profit or loss in the respective countries is as follows:

	2023	2022
	HK$'000	HK$'000
		(Restated)
Loss before tax from continuing operations	**(22,974)**	(87,253)
Tax calculated at domestic tax rates applicable to profit or loss in the respective countries	**(3,851)**	(18,875)
Tax effect of income that is not taxable	**(5,049)**	(189)
Tax effect of expenses that are not deductible	**5,075**	13,478
Tax effect of temporary differences not recognised	**(2,769)**	(1,334)
Tax effect of tax losses not recognised	**6,520**	5,578
Tax effect of utilisation of tax losses not previously recognised	**(6)**	(46)
Tax credit for the year	**(80)**	(1,388)

13. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2023 and 2022.

14. DISCONTINUED OPERATION

The Group's discontinued operation for the year ended 31 December 2023 represented the money lending segment operated by Rosy Time Investments Limited and Value Creation Finance Limited (collectively referred to as the "Rosy Time Group").

Pursuant to an agreement dated 15 November 2023 entered into between the Company and an independent third party (the "Purchaser"), the Company disposed of 100% interest in a wholly-owned subsidiaries, Rosy Time Investments Limited ("Rosy Time") at a consideration of HK$24,500,000 ("Transaction"). Rosy Time held 100% interest in Value Creation Finance Limited, which was engaged in the money lending business during the year. The Transaction was completed on 20 November 2023 and the Group ceased its money lending business.

The respective (loss)/profit for the years ended 31 December 2023 and 2022 from Rosy Time Group is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated as the discontinued operation.

14. DISCONTINUED OPERATION *(Continued)*

(a) The (loss)/profit for the year from the discontinued operation is analysed as follows:

	2023 **HK$'000**	2022 HK$'000
Profit of discontinued operation	**2,429**	253
Loss on disposal of discontinued operation *(note 40(a))*	**(4,308)**	–
	(1,879)	253

The results of the discontinued operation for the period from 1 January 2023 to 20 November 2023, which have been included in the consolidated statement of profit or loss, are as follows:

	Period from 1 January 2023 to 20 November 2023 **HK$'000**	Year ended 31 December 2022 HK$'000
Interest revenue	**2,860**	3,633
Bank and other interest income	**5**	–
Administrative expenses	**(158)**	(3,369)
Finance costs	**(3)**	(3)
Profit before tax	**2,704**	261
Income tax expense	**(275)**	(8)
Profit for the year	**2,429**	253
Loss on disposal of discontinued operation *(note 40(a))*	**(4,308)**	–
(Loss)/profit for the year from discontinued operation	**(1,879)**	253

During the year, the Rosy Time Group received approximately HK$960,000 (2022: approximately HK$5,264,000) in respect of operating activities, no payment (2022: no payment) in respect of investing activities and paid approximately HK$1,643,000 (2022: approximately HK$7,482,000) in respect of financing activities.

No tax charge or credit arose on loss on disposal of the discontinued operation.

(b) Profit before tax from discontinued operation

The Group's profit before tax from discontinued operation is arrived at after charging:

	2023 **HK$'000**	2022 HK$'000
Depreciation of property, plant and equipment	**–**	1
Depreciation of right-of-use assets	**112**	124
Expenses related to short-term leases	**3**	–

15. (LOSS)/EARNINGS PER SHARE

a) From continuing and discontinued operations

Basic loss per share

The calculation of basic loss (2022: loss) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$22,755,000 (2022: loss of approximately HK$82,295,000) and the weighted average number of ordinary shares of 59,047,916 (2022: 48,266,268) in issue during the year.

Diluted loss per share

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the years ended 31 December 2023 and 2022.

b) From continuing operations

Basic loss per share

The calculation of basic loss (2022: loss) per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of approximately HK$20,876,000 (2022: loss of approximately HK$82,548,000) and the denominator used is the same as that detailed above for basic loss per share.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2023 and 2022.

c) From discontinued operation

Basic (loss)/earnings per share

Basic loss (2022: earnings) per share from the discontinued operation is HK3.2 cents per share (2022: HK0.5 cents per share) and diluted loss per share from the discontinued operation is HK3.2 cents per share, based on the loss for the year from discontinued operation attributable to the owners of the Company of approximately HK$1,879,000 (2022: profit of approximately HK$253,000) and the denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share.

Diluted (loss)/earnings per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2023 and 2022.

16. INVESTMENT PROPERTIES

	2023	2022
	HK$'000	HK$'000
At 1 January	**256,671**	273,607
Additions	**—**	52,494
Fair value loss	**(5,536)**	(49,393)
Exchange differences	**(6,876)**	(20,037)
At 31 December	**244,259**	256,671

Investment properties were revalued at 31 December 2023 by direct income approach (2022: direct income approach) by Roma Appraisals Limited, an independent firm of chartered surveyors.

At 31 December 2023, the carrying amount of investment properties of approximately HK$244,259,000 (2022: approximately HK$256,671,000) pledged as security for the Group's bank loans amounted to approximately HK$43,460,000 (2022: approximately HK$53,144,000).

During the year ended 31 December 2021, the Group signed a rental agreement to lease out its investment properties under operating lease. The lease term is 20 years. The lease is on a fixed rental basis and does not include variable lease payments.

The Group's future undiscounted lease payments under operating leases are receivable as follows:

	2023	2022
	HK$'000	HK$'000
Less than 1 year	**5,196**	5,184
Between 1 and 2 years	**5,352**	5,339
Between 2 and 3 years	**5,512**	5,500
Between 3 and 4 years	**5,677**	5,665
Between 4 and 5 years	**5,848**	5,835
Over 5 years	**86,878**	95,292
	114,463	122,815

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST:				
At 1 January 2022	2,364	2,972	3,499	8,835
Exchange realignment	–	(70)	(36)	(106)
Additions	–	54	–	54
At 31 December 2022 and 1 January 2023	**2,364**	**2,956**	**3,463**	**8,783**
Exchange realignment	**–**	**(23)**	**(11)**	**(34)**
Additions	**–**	**63**	**575**	**638**
Disposal/written off	**–**	**(22)**	**(743)**	**(765)**
Disposal of subsidiaries *(note 40(a) and (b))*	**(78)**	**(305)**	**–**	**(383)**
At 31 December 2023	**2,286**	**2,669**	**3,284**	**8,239**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS:				
At 1 January 2022	1,546	1,866	2,805	6,217
Exchange realignment	–	(40)	(33)	(73)
Provided during the year	449	547	458	1,454
At 31 December 2022 and 1 January 2023	**1,995**	**2,373**	**3,230**	**7,598**
Exchange realignment	**–**	**(17)**	**(10)**	**(27)**
Provided during the year	**221**	**286**	**239**	**746**
Disposal/written off	**–**	**(9)**	**(743)**	**(752)**
Disposal of subsidiaries *(note 40(a) and (b))*	**(78)**	**(300)**	**–**	**(378)**
At 31 December 2023	**2,138**	**2,333**	**2,716**	**7,187**
CARRYING AMOUNTS:				
At 31 December 2023	**148**	**336**	**568**	**1,052**
At 31 December 2022	369	583	233	1,185

18. GOODWILL

	2023	2022
	HK$'000	HK$'000
Cost		
At 1 January and 31 December	**6,504**	6,504
Carrying amount:		
At 31 December	**6,504**	6,504

	2023	2022
The carrying amount of goodwill had been allocated as follows:	**HK$'000**	HK$'000
IT solutions and maintenance	**6,504**	6,504

The recoverable amount of this CGUs are determined by reference to the value-in-use approach, which are based on discounted cash flow based on the financial budgets approved by the management covering a 5-year period, and the discount rate of approximately 14.18% to 14.40% (2022: approximately 14.10% to 14.60%) that reflects current market assessment of the time value of money and the risks specific to the CGUs. Cash flows beyond 5-year period have been extrapolated using a steady 2% (2022: 3%) annual growth rate.

19. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2023	2022
	HK$'000	HK$'000
At 31 December:		
Right-of-use assets		
— Land and buildings	**2,938**	4,886
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
— Less than 1 year	**2,322**	2,435
— Between 1 and 2 years	**822**	1,977
— Between 2 and 5 years	**–**	821
	3,144	5,233
For the year ended 31 December:		
Depreciation charge of right-of-use assets		
— Land and buildings	**2,454**	2,541
Lease interests	**208**	160
Expenses related to short-term leases	**509**	608
Total cash outflow for leases	**3,117**	3,401
Additions to right-of-use assets	**504**	6,099
Lease commitments of short-term leases	**258**	700

The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 1 to 3 years (2022: 1 to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

20. OTHER INTANGIBLE ASSETS

	Customer relationships HK$'000 *(note (a))*	Money lending license HK$'000 *(note (b))*	Total HK$'000
COST:			
At 1 January 2022, 31 December 2022, and 1 January 2023	8,242	440	8,682
Disposal of subsidiaries *(note 40(a))*	—	(440)	(440)
At 31 December 2023	8,242	—	8,242
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS:			
At 1 January 2022	3,955	—	3,955
Provided during the year	866	—	866
At 31 December 2022 and 1 January 2023	4,821	—	4,821
Provided during the year	866	—	866
At 31 December 2023	5,687	—	5,687
CARRYING AMOUNTS:			
At 31 December 2023	**2,555**	**—**	**2,555**
At 31 December 2022	3,421	440	3,861

Notes:

(a) The average remaining amortisation period of the customer relationship is 3 years (2022: 4 years).

(b) The money lending license was disposed through disposal of subsidiaries during the year.

21. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	**2023** **HK$'000**	2022 HK$'000
Unlisted equity investments, at fair value			
– Guangzhou Dehuang Investment Company Limited ("Dehuang")	*(a)*	**–**	32,173
– Global Engine Group Holding Limited ("Global Engine")	*(b)*	**9,877**	10,852
Listed equity securities outside Hong Kong	*(c)*	**1,023**	–
		10,900	43,025

The equity investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

Notes:

(a) On 28 August 2019, the Group acquired 19% equity interest of Dehuang(廣州市德煌投資有限公司), which is incorporated in the PRC and loan receivables with principal amount of RMB51,199,000, at a consideration of RMB66,341,000 which is satisfied by issuance of promissory notes to the vendor. The principal activities of it is provision of business services. The principal assets of Dehuang are the one parcels of land and five buildings for data centre and office (including the land beneath) owned by Dehuang and located in South of Shinan Highway, Nansha District, Guangzhou(廣州市南沙區市南公路南側). As at 31 December 2022, it was measured at fair value of approximately HK$32,173,000, representing 6.86% of the Group's total assets. The Group's investment in Dehuang was disposed of through disposal of subsidiaries (as detailed in note 40(b)) during the year ended 31 December 2023.

(b) On 1 April 2021, the Group acquired 10% equity interest of Global Engine Group Holding Limited ("Global Engine"), a company incorporated in the British Virgin Islands with limited liability, at a consideration of HK$10,000,000 which is satisfied by issuance of 20,000,000 new shares at consideration share price of HK$0.5 per share. Global Engine is an investment holding company and its directly wholly-owned subsidiary is an integrated solutions provider in information and communication technologies, system integration and other technical consultation services in Hong Kong and Asia Pacific region. During the year, the Company did not receive any (2022: HK$nil) dividend from Global Engine. As at 31 December 2023, it was measured at fair value of approximately HK$9,877,000 (2022: approximately HK$10,852,000).

(c) On 25 October 2022, the Company entered into a share swap agreement (the "Share Swap Agreement") with Bonanza Goldfields Corp. ("Bonanza"). In accordance with the terms of the Share Swap Agreement, the Company has alloted and issued 2,652,038 shares to Marvion Group Limited ("Marvion"), a wholly-owned subsidiary of Bonanza, at the agreed price of HK$1.35 per share. Simultaneously, Bonanza has allotted and issued 218,574,618 BONZ Shares to the Company, at the subscription price of US$0.0021 (equivalent to approximately HK$0.01638) per BONZ Share. The share swap was completed on 17 April 2023.

21. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

(c) (Continued)

The BONZ Shares (subsequently know as MVNC Shares) are traded in the over-the-counter markets in the United States. As at 31 December 2023, they were measured at fair value of approximately HK$1,023,000.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	**2023 HK$'000**	2022 HK$'000
Prepayments		**844**	18,758
Deposits and other receivables	*(a) (b)*	**47,452**	4,058
		48,296	22,816
Analysed as:			
Non-current portion			
Prepayments		**615**	10,475
Deposits and other receivables		**587**	587
		1,202	11,062
Current portion			
Prepayments		**229**	8,283
Deposits and other receivables	*(a)*	**955**	3,471
Consideration receivables from disposal of subsidiaries	*(b)*	**45,910**	–
		47,094	11,754
		48,296	22,816

Notes:

(a) As at 31 December 2023, included in other receivables of nil (2022: approximately HK$2,455,000) is due from a former non-controlling shareholder of a subsidiary who will repay mortgage loan on behalf of the subsidiary.

(b) (i) As at 31 December 2023, included in other receivables of approximately HK$21,410,000 is receivables from the purchasers of Rosy Ridge Investments Limited.

(ii) As at 31 December 2023, included in other receivables of approximately HK$24,500,000 is receivables from the purchasers of Rosy Time Investments Limited.

23. DEFERRED TAX

The following are the major deferred tax assets/(liabilities) recognised by the Group:

	Revaluation of equity investments at fair value through other comprehensive income HK$'000	Other intangible assets HK$'000	Tax losses HK$'000	Total HK$'000
At 1 January 2022	(4,377)	(709)	4,728	(358)
Credit to consolidated profit or loss	–	143	1,245	1,388
Charge to other comprehensive income	(837)	–	–	(837)
Exchange realignment	368	–	–	368
At 31 December 2022 and 1 January 2023	**(4,846)**	**(566)**	**5,973**	**561**
Credit/(charge) to consolidated profit or loss	**–**	**143**	**(63)**	**80**
Disposal of subsidiaries *(note 40(b))*	**4,868**	**–**	**–**	**4,868**
Exchange realignment	**(22)**	**–**	**–**	**(22)**
At 31 December 2023	**–**	**(423)**	**5,910**	**5,487**

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2023 HK$'000	2022 HK$'000
Deferred tax assets	**5,522**	5,456
Deferred tax liabilities	**(35)**	(4,895)
	5,487	561

The Group has tax losses arising in Hong Kong of approximately HK$202,240,000 (2022: approximately HK$180,819,000) that are available indefinitely and in Mainland China of approximately HK$23,989,000 (2022: approximately HK$18,534,000) that are available for a maximum of five years, for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses of approximately HK$190,418,000 (2022: approximately HK$163,163,000) as they have arisen in certain subsidiaries that have been loss-making for some time and it is considered not probable that taxable profits will be available against which tax losses can be utilised.

23. DEFERRED TAX *(Continued)*

As at 31 December 2023, the Group has deductible temporary differences of approximately HK$16,477,000 (2022: approximately HK$15,488,000) not recognised as deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, there is no temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised (2022: nil).

24. INVENTORIES

	2023	2022
	HK$'000	HK$'000
Finished goods and merchandises	**121**	55

25. TRADE RECEIVABLES

	2023	2022
	HK$'000	HK$'000
Trade receivables	**15,584**	18,398

Notes:

(a) The Group has granted credit terms to its customers within 30 to 90 days (2022: ranging from 30 to 90 days). The Group seeks to maintain strict control over its outstanding balances by imposing 2% (2022: 2%) monthly interest charge upon them and requesting payment in advances from certain customers. Overdue balances are reviewed by the directors. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

(b) The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2023	2022
	HK$'000	HK$'000
Within 1 month	**13,326**	7,574
1 to 2 months	**587**	81
2 to 3 months	**187**	746
Over 3 months	**1,484**	9,997
	15,584	18,398

25. TRADE RECEIVABLES *(Continued)*

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Neither past due nor impaired	**Less than 1 month past due**	**1 to 3 months past due**	**Over 3 months to 1 year past due**	**Over 1 year past due**	**Total**
At 31 December 2023						
Weighted average expected loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Receivable amount (HK$'000)	**13,316**	**597**	**216**	**131**	**1,324**	**15,584**
Loss allowance (HK$'000)	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2022						
Weighted average expected loss rate	0%	0%	0%	0%	0%	0%
Receivable amount (HK$'000)	7,558	81	799	9,960	—	18,398
Loss allowance (HK$'000)	—	—	—	—	—	—

26. LOAN RECEIVABLES

	2023 HK$'000	2022 HK$'000
Loan receivables (note 40(a) and (b))	**–**	90,644

Notes:

(a) As at 31 December 2022, loan receivables of approximately HK$30,304,000 carried at fixed effective interest at 12% per annum respectively and with the terms ranging from 9 months to 6 years. The loan receivables were disposed of through disposal of subsidiaries (as detailed in note 40(a)) during the year ended 31 December 2023.

(b) As at 31 December 2022, included in loan receivables are receivable from Dehuang of approximately HK$52,925,000 which is unsecured, non-interest bearing, repayable on 2 September 2023 and measured at amortised cost using effective interest rate of 14.42%.

The loan receivables were disposed of through disposal of subsidiaries (as detailed in note 40(b)) during the year ended 31 December 2023.

(c) As at 31 December 2022, included in loan receivables are receivable from Dehuang of approximately HK$7,415,000 which is unsecured, non-interest bearing, repayable on 15 October 2023 and measured at amortised cost using effective interest rate of 4.35%. Dehuang early settled HK$830,000 during the year ended 31 December 2022 and the Group recognised a gain on early settlement of loan receivables of approximately HK$30,000.

The loan receivables were assigned to an independent third party through disposal of subsidiaries (as detailed in note 40(b)) during the year ended 31 December 2023.

27. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	HK$'000	HK$'000
Listed equity securities, at fair value		
— in Hong Kong	**55**	1,330
— outside Hong Kong	**503**	64
	558	1,394

The investments included above as at 31 December 2023 and 2022 represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the listed equity securities are determined based on the quoted market prices.

28. BANK AND CASH BALANCES

	2023	2022
	HK$'000	HK$'000
Bank and cash balances	**11,595**	13,877

As at 31 December 2023, the bank and cash balances of the Group denominated in RMB amounted to approximately HK$1,011,000 (2022: approximately HK$2,130,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

29. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	HK$'000	HK$'000
Within 1 month	**881**	346
1 to 2 months	**644**	234
2 to 3 months	**492**	86
Over 3 months	**1,438**	9,636
	3,455	10,302

30. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	As at 31 December 2023 HK$'000	As at 31 December 2022 HK$'000	As at 1 January 2022 HK$'000
Contract liabilities — sale of computer hardware and software	**233**	2,564	3,205
Contract liabilities — provision of technical support and maintenance services	**1,333**	18,738	1,136
Total contract liabilities	**1,566**	21,302	4,341
Contract receivables (included in trade receivables)	**3,202**	11,371	9,584

	2023 HK$'000	2022 HK$'000
Analysed as:		
Non-current liabilities	**–**	10,550
Current liabilities	**1,566**	10,752
	1,566	21,302

	2023 HK$'000	2022 HK$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
— 2023	**–**	10,752
— 2024	**1,566**	6,063
— 2025	**–**	4,487
	1,566	21,302

Year ended 31 December	**2023 HK$'000**	2022 HK$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	**6,290**	4,341

30. CONTRACT LIABILITIES *(Continued)*

Significant changes in contract liabilities during the year:

	2023	2022
	HK$'000	HK$'000
Increase due to operations in the year	**18,512**	65,027
Transfer of contract liabilities to revenue	**(38,248)**	(48,066)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

31. OTHER PAYABLES AND ACCRUALS

	2023	2022
	HK$'000	HK$'000
Accruals	**6,587**	5,297
Other payables	**6,831**	5,848
Rental deposit received	**1,839**	1,897
VAT payables	**568**	468
	15,825	13,510

32. BANK AND OTHER LOANS

	Notes	**2023**	2022
		HK$'000	HK$'000
Bank loans:			
Mortgage loan	*(i)*	**43,460**	53,144
Other loans:			
Margin loans	*(ii)*	**38**	891
Loans from independent third parties	*(iii)*	**16,988**	13,314
		17,026	14,205
		60,486	67,349
Analysed as:			
Non-current liabilities		**16,988**	13,314
Current liabilities		**43,498**	54,035
		60,486	67,349

32. BANK AND OTHER LOANS *(Continued)*

The borrowings are repayable as follows:

	2023 **HK$'000**	2022 HK$'000
On demand or within one year	**43,498**	54,035
In the second year	**11,817**	9,702
In the third to fifth years, inclusive	**5,171**	3,612
	60,486	67,349
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(43,498)**	(54,035)
Amount due for settlement after 12 months	**16,988**	13,314

Notes:

(i) The mortgage loan has terms of 8 years until 2030 with a repayable on demand clause exercisable by a bank. The average interest rate was 3.75% (2022: 4.15%).

The mortgage loan is secured by a charge over the Group's investment properties with fair value of approximately HK$244,259,000 (2022: approximately HK$256,671,000) and by the rights to receive the rental fees of the Group's investment properties, and guaranteed by the Company and an equity investment of the Company.

(ii) As at 31 December 2023, the margin loans are secured by the Group's equity securities listed in Hong Kong with fair value of approximately HK$55,000 (2022: approximately HK$1,330,000) and repayable on demand. As at 31 December 2023, the loan is charged at a fixed interest rate of 9.125% (2022: 8.875%) per annum.

(iii) Loan from an independent third party amounted to approximately HK$3,301,000 (2022: approximately HK$3,612,000) is interest bearing at 15% per annum, unsecured and repayable on 28 July 2027.

Loan from an independent third party amounted to approximately HK$495,000 is interest bearing at 13.8% per annum, unsecured and repayable on 31 July 2028.

Loan from an independent third party amounted to approximately HK$275,000 is interest bearing at 13.8% per annum, unsecured and repayable on 19 September 2028.

Loan from an independent third party amounted to approximately HK$1,100,000 is interest bearing at 13.8% per annum, unsecured and repayable on 18 December 2028.

Loan from an independent third party amounted to approximately HK$10,332,000 (2022: approximately HK$9,702,000) is interest free, unsecured and repayable on 1 January 2024. On 31 December 2023, the Group entered into a supplemental agreement with the independent third party, pursuant to which the repayment date of the loan was extended to 1 January 2025.

Loan from an independent third party amounted to approximately HK$1,485,000 is interest free, unsecured and repayable on 1 January 2025.

33. PROMISSORY NOTE PAYABLES

	HK$'000
At 1 January 2022	**71,415**
Imputed interest	**8,803**
Loss on early redemption	**2,052**
Repayment of promissory note	**(11,000)**
Exchange realignment	**(4,982)**
At 31 December 2022 and 1 January 2023	**66,288**
Imputed interest	**2,799**
Disposal of subsidiaries *(note 40(b))*	**(69,352)**
Exchange realignment	**265**
At 31 December 2023	**–**

On 3 September 2019, the Group issued a promissory note (the "PN") with fair value of approximately HK$72,435,000 (principal amount of RMB66,341,000) as a consideration for the acquisition of 19% equity interest of Dehuang and a loan receivable with principal amount of RMB51,199,000 (the "Loan Receivable"). On the date of issuance of the PN, (i) the fair value of 19% equity interest in Dehuang and the Loan Receivable; and (ii) the fair value of the PN of approximately HK$72,435,000 allocated to 19% equity interest of Dehuang and the Loan Receivable are as follows:

	Fair value at the date of issuance of the PN HK$'000	**Fair value of the PN allocated** HK$'000
19% equity interest in Dehuang *(note 21(a))*	9,544	12,825
The Loan Receivable	44,361	59,610
	53,905	72,435

Loss on initial recognition of the Loan Receivable of HK$15,249,000 was recognised on the date of issuance of the PN.

The fair value of the PN approximates its carrying amount. As at 31 December 2022, the PN is measured at amortised cost using effective interest rate of 14.28%.

On 29 June 2020, the Group entered into supplemental agreement with the PN holder, pursuant to which the maturity date of the PN was extended to 2 September 2021. The Group recognised a gain on modification of PN amounted to approximately HK$3,263,000.

33. PROMISSORY NOTE PAYABLES *(Continued)*

On 3 September 2020, the Group entered into supplemental agreement with the PN holder, pursuant to which the maturity date of the PN was extended to 2 September 2022 and the interest rate revised to 11% per annum. The Group recognised a gain on modification of PN amounted to approximately HK$2,458,000.

On 31 December 2021, the Group entered into supplemental agreement with the PN holder, pursuant to which the maturity date of the PN was extended to 2 September 2023. The Group recognised a gain on modification of PN amounted to approximately HK$2,247,000.

On 24 February 2022, the Group early settled the principal and interest amounted to approximately HK$11,000,000. The Group recognised a loss on early redemption of PN amounted to approximately HK$2,052,000.

The PN was disposed through disposal of subsidiaries during the year ended 31 December 2023.

34. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**2,322**	2,435	**2,219**	2,233
In the second to fifth years, inclusive	**822**	2,798	**811**	2,691
	3,144	5,233		
Less: Future finance charges	**(114)**	(309)		
Present value of lease liabilities	**3,030**	4,924	**3,030**	4,924
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(2,219)**	(2,233)
Amount due for settlement after 12 months			**811**	2,691

At 31 December 2023, the average effective borrowing rate was 5.125% to 5.25% (2022: 5.125% to 5.25%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

35. Bonds

	2023	2022
	HK$'000	HK$'000
Non-current		
Bonds	**4,547**	–

The Group announced a completion of the zero coupon bond issuance on 12 July 2023. The total amount of the bonds is HK$100 million. The bonds will be documented using Distributed Ledger Technology (in place of paper) and will be implemented using Digital Ownership Token standard.

Bonds with HK$24.75 million has been purchased by a third party, with approximately 66.66% discount on face value. The Group received approximately HK$8,252,000 from the bond subscription. The bonds are offered at a discount with an effective yield to maturity of 3.73% per annum, and shall mature on 27 June 2053.

The initial fair value of the bonds is approximately HK$4,426,000. The Group recorded a gain on initial recognition of bonds of approximately HK$3,826,000 in the consolidated statement of profit or loss for the year ended 31 December 2023.

36. LOAN FROM A SHAREHOLDER

As at 31 December 2022, loan from a shareholder is advanced from Mr. Zhang Rong and is unsecured, interest bearing at 3% and due for repayment on 1 January 2024. The loan was fully repaid during the year.

37. AMOUNT DUE TO A DIRECTOR

As at 31 December 2022, the amount is unsecured, interest-free and due for repayment on 1 January 2024. The amount was fully repaid during the year.

38. SHARE CAPITAL

	Number of shares		Share capital	
	2023	2022	**2023**	2022
			HK$'000	HK$'000
Authorised:				
Ordinary shares of HK$0.1 (2022: HK$0.1) each				
At the beginning and at the end of the year	**12,000,000,000**	12,000,000,000	**1,200,000**	1,200,000

38. SHARE CAPITAL *(Continued)*

	Notes	Number of shares		Share capital	
		2023	2022	**2023**	2022
				HK$'000	HK$'000
Issued and fully paid:					
Ordinary shares of HK$0.1 (2022: HK$0.1) each					
At the beginning of the year		**51,471,199**	343,141,329	**5,147**	3,431
Capital reorganisation	*(i)*	**—**	(463,240,794)	**—**	—
Placing of shares under general mandate	*(iv)*	**7,642,000**	—	**765**	—
Issue of share under share swap	*(iii)*	**2,652,038**	—	**265**	—
Issue of shares under rights issue	*(ii)*	**—**	171,570,664	**—**	1,716
At the end of the year		**61,765,237**	51,471,199	**6,177**	5,147

Notes:

(i) On 1 December 2022, an ordinary resolution was passed on share consolidation ("2022 Share Consolidation"), pursuant to it, every 10 issued and unissued existing shares of par value HK$0.01 each in the share capital of the Company will be consolidated into 1 consolidated share of par value HK$0.1 in the share capital of the Company and the total number of consolidated shares in the issued share capital of the Company immediately following the 2022 Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation. 463,240,794 shares were cancelled by way of 2022 Share Consolidation.

(ii) On 5 January 2022, the Board of Directors proposed to conduct the rights issue (the "Rights Issue") on the basis of one (1) rights share ("Rights Share(s)") for every two (2) existing Shares held on the record date of 8 March 2022 at the subscription price of HK$0.15 per Rights Share, to raise up to approximately HK$25.74 million before expenses by way of issuing up to 171,570,664 Rights Shares. On 11 April 2022, the Rights Issue was completed and 171,570,664 Rights Shares were issued. The net proceeds of approximately HK$24,861,000 were raised from the Rights Issue.

(iii) On 25 October 2022, the Company entered into a share swap agreement (the "Share Swap Agreement") with Bonanza. In accordance with the terms of the Share Swap Agreement, the Company has alloted and issued 2,652,038 shares, representing approximately 4.29% of the issued share capital of the Company immediately upon completion of the Share Swap, to Marvion Group Limited ("Marvion"), a wholly-owned subsidiary of Bonanza, at the agreed price of HK$1.35 per share. Simultaneously, Bonanza has allotted and issued 218,574,618 BONZ Shares to the Company, representing approximately 0.15% of the enlarged issued share capital of Bonanza immediately upon completion of the Share Swap, at the subscription price of US$0.0021 (equivalent to approximately HK$0.01638) per BONZ Share. The share swap was completed on 17 April 2023.

(iv) On 14 March 2023, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, on a best effort basis, of up to 7,642,000 placing shares, to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$1.93 per placing share. The placing was completed on 4 April 2023.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

38. SHARE CAPITAL *(Continued)*

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained profits and other reserves) and includes some forms of subordinated debts.

39. SHARE OPTION SCHEME

The Company adopted a share option scheme with effect from 2 August 2012 (the "2012 Share Option Scheme") and a new share option with effect from 15 May 2023 (the "2023 Share Option Scheme", together with 2012 Share Option Scheme, the "Schemes") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include the Company's executive and non-executive directors, full-time employees of the Group, advisers and consultants of the Group. The 2012 Share Option Scheme was expired on 1 August 2022. The 2023 Share Option Scheme became effective on 15 May 2023 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon expiry of the Schemes, the options granted under the Scheme remain valid until they expire. Further details of the term and validity of the options are set out below.

The maximum number of shares which may be issued upon exercise of all options granted and yet to be granted under the Schemes is currently limited to 30% of the shares of the Company in issue at any time. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each eligible participant in the Schemes in any 12-month period up to the date of the grant is limited to 1% of the aggregate number of issued shares of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors at their discretion, and commences on the date upon which the options are deemed to be granted and accepted.

39. SHARE OPTION SCHEME *(Continued)*

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. Details of the specific categories of options are as follows:

Date of grant	**Vesting period**	**Exercise period**	**Exercise price** HK$
13 May 2021	13 May 2021	13 May 2021–12 May 2031	2.19*
16 June 2022	16 June 2022	16 June 2022–15 June 2032	1.40*
10 August 2023	10 August 2024	10 August 2024–9 August 2033	3.42

* as adjusted

For options granted on 13 May 2021, 16 June 2022 and 10 August 2023, if the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2023		2022	
	Number of share options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**4,220,246**	**1.88**	23,100,000	0.245
Adjusted as a result of rights issue	**—**	**—**	2,742,465	(0.026)
Granted during the year	**1,568,000**	**3.42**	16,360,000	0.14
Adjusted as a result of share consolidation	**—**	**—**	(37,982,219)	(0.0019)
Forfeited during the year	**(147,471)**	**2.44**	—	—
Outstanding at the end of the year	**5,640,775**	**2.29**	4,220,246	1.88

39. SHARE OPTION SCHEME *(Continued)*

The estimated fair values of the options granted on 13 May 2021, 16 June 2022 and 10 August 2023 are approximately HK$2,992,000, HK$1,172,000 and HK$2,695,000 respectively.

At the date of approval of these consolidated financial statements, the number of share options permitted to be granted under the Scheme was 4,608,523 (2022: 5,147,119), representing 7.46% (2022: 10%) of the Company's shares in share as at that day.

These fair values were calculated using Binominal pricing model. The inputs into the model are as follows:

	10 August 2023	16 June 2022	13 May 2021
Share price at the date of grant	**HK$3.23**	HK$0.140	HK$0.245
Exercise price	**HK$3.42**	HK$0.140	HK$0.245
Expected volatility	**76.59%**	65.11%	68.33%
Expected life	**10 years**	10 years	10 years
Risk free rate	**3.356%**	3.23%	1.2%
Expected dividend yield	**0%**	0%	0%
Expected Early Exercise Multiple	**2.2/2.8**	2.2	2.2

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

The Group recognised share-based payment expenses of approximately HK$931,000 during the year ended 31 December 2023 (2022: approximately HK$1,172,000) in relation to the share options granted by the Company.

40. DISPOSAL OF SUBSIDIARIES

(a) Rosy Time Investments Limited and its subsidiary

As referred to in note 14 to the consolidated financial statements, on 20 November 2023 the Group discontinued its money lending business at the time of the disposal of its subsidiaries, Rosy Time Investments Limited and Value Creation Finance Limited.

Net assets at the date of disposal were as follows:

	HK$'000
Other intangible assets	**440**
Prepayments, deposit and other receivables	**38**
Loan receivables	**28,558**
Bank and cash balances	**22**
Current tax liabilities	**(249)**
Other payables and accruals	**(1)**
Net assets disposal of subsidiaries	**28,808**
Loss on disposal of subsidiaries	**(4,308)**
Total consideration – satisfied by receivables from disposal *(note 22(b))*	**24,500**
Net cash outflow arising on disposal:	
Cash consideration received	**–**
Cash and cash equivalents disposed of	**(22)**
	(22)

The consideration of HK$24,500,000, has not yet settled and was included in "Prepayments, deposits and other receivables" as at 31 December 2023.

(b) Rosy Ridge Investments Limited and its subsidiaries

On 3 March 2023, an independent third party (the "Purchaser") and Gorgeous Ocean Global Limited, a direct wholly-owned subsidiary of the Company, (the "Vendor"), entered into an agreement (the "Disposal Agreement"), pursuant to which, the Vendor has conditionally agreed to sell the entire issued share capital of Rosy Ridge Investments Limited (the "Rosy Ridge") and its subsidiaries (collectively referred to as the "Rosy Ridge Group") and to assign the loans receivables from Rosy Ridge Group and Dehuang Investment Company Limited(廣州市德煌投資有限公司)(the "Sale Loan") to the Purchaser, and the Purchaser has conditionally agreed to acquire the entire issued share capital of Rosy Ridge and take up the assignment of the Sale Loan at the consideration of HK$28,000,000.

On 4 May 2023, the Group disposed of the 100% equity interest in Rosy Ridge Group.

40. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Rosy Ridge Investments Limited and its subsidiaries *(Continued)*

Net assets at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	**5**
Equity investment at fair value through other comprehensive income	**32,311**
Prepayments, deposits and other receivables	**88**
Loan receivables	**55,561**
Bank and cash balances	**12**
Other payables and accruals	**(50)**
Promissory notes	**(69,352)**
Deferred tax liabilities	**(4,868)**
Net assets disposal of subsidiaries	**13,707**
Release of foreign currency translation reserve	**(385)**
Loan receivable assigned to the purchaser	**7,522**
Gain on disposal of subsidiaries	**7,156**
	28,000
Satisfied by:	
Cash consideration received	**6,590**
Consideration receivables from disposal *(note 22(b))*	**21,410**
	28,000
Net cash inflow arising on disposal:	
Cash consideration received	**6,590**
Cash and cash equivalents disposed of	**(12)**
	6,578

Out of total consideration of HK$28,000,000, HK$6,590,000 was settled during the year ended 31 December 2023 whereas the remaining balance of HK$21,410,000 was included in "Prepayments, deposits and other receivables" as at 31 December 2023.

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2023 HK$'000	2022 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**–**	–
Right-of-use assets	**2,585**	4,409
Equity investments at fair value through other comprehensive income	**1,023**	–
Prepayments, deposits and other receivables	**587**	587
Total non-current assets	**4,195**	4,996
CURRENT ASSETS		
Due from subsidiaries	**221,841**	214,914
Loan receivable	**–**	7,415
Prepayments, deposits and other receivables	**24,696**	206
Cash and bank balances	**6,463**	7,765
Total current assets	**253,000**	230,300
CURRENT LIABILITIES		
Other payables and accruals	**6,607**	6,198
Lease liabilities	**1,866**	1,771
Total current liabilities	**8,473**	7,969
NET CURRENT ASSETS	**244,527**	222,331
Total assets less current liabilities	**248,722**	227,327
NON-CURRENT LIABILITIES		
Lease liabilities	**807**	2,673
Amount due to a director	**–**	320
Bonds	**4,547**	–
Total non-current liabilities	**5,354**	2,993
NET ASSETS	**243,368**	224,334
CAPITAL AND RESERVES		
Share capital	**6,177**	5,147
Reserves	**237,191**	219,187
TOTAL EQUITY	**243,368**	224,334

42. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations.

(iii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(iv) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

42. RESERVES *(Continued)*

(b) Company

	Share premium account HK$'000	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2022	135,041	2,892	–	79,595	217,528
Total comprehensive loss for the year	–	–	–	(22,658)	(22,658)
Equity-settled share-base payment	–	1,172	–	–	1,172
Issue of shares under rights issue (net of expenses on issue of shares)	23,145	–	–	–	23,145
At 31 December 2022 and 1 January 2023	**158,186**	**4,064**	**–**	**56,937**	**219,187**
Profit for the year	**–**	**–**	**–**	**2,775**	**2,775**
Other comprehensive loss for the year:					
– Change in fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**(5,978)**	**–**	**(5,978)**
Total comprehensive (loss)/income for the year	**–**	**–**	**(5,978)**	**2,775**	**(3,203)**
Lapsed of share option	**–**	**(181)**	**–**	**181**	**–**
Equity-settled share-base payment	**–**	**931**	**–**	**–**	**931**
Issue of shares under placing	**13,540**	**–**	**–**	**–**	**13,540**
Issue of shares under share swap	**6,736**	**–**	**–**	**–**	**6,736**
At 31 December 2023	**178,462**	**4,814**	**(5,978)**	**59,893**	**237,191**

43. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2023 and 2022 are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued and paid-up capital/registered capital	Percentage of ownership interest		Principal activities
			2023	2022	
China Information Technology Development (Hong Kong) Limited	Hong Kong	HK$100	**100%**	100%	Office management
Macro Systems Limited	Hong Kong	HK$1,050,000	**84%**	84%	Provision of system integration and maintenance services in Hong Kong
Macro Systems (Guangzhou) Co., Ltd.**	PRC	HK$1,300,000	**84%**	84%	Provision of system integration and maintenance services in the PRC
DataCube Research Centre	Hong Kong	HK$100	**80%**	80%	Big data application
Logic Network Limited	Hong Kong	HK$10,000	**51%**	51%	Provision of telecommunications consultancy, cloud services, managed IT services, support consultancy and intelligent retail system services
Guangzhou Xinfeng Investment Consultancy Company Limited**	PRC	HK$101,400,000	**100%**	100%	Assets acquisition, management and consultancy services
Global Shine Investment Limited	Hong Kong	HK$1	**100%**	100%	Securities trading
Value Creation Finance Limited	Hong Kong	HK$10,000	**N/A#**	100%	Money lending
Guangzhou Deyong Technology Investment Co., Ltd**	PRC	*	**N/A#**	100%	Investment holding

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

* The amount of registered capital is HK$10 million and it is not yet injected.

** Wholly-foreign-owned enterprises.

Disposed during the year

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions

As described in note 40 to the consolidated financial statements, during the year ended 31 December 2023, the Group disposed of the entire issued share capital of Rosy Time Investments Limited and Rosy Ridge at the considerations of HK$24,500,000 and HK$28,000,000, respectively, of which HK$45,910,000 were recorded in prepayments, deposits and other receivables.

(b) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Interest payable HK$'000	Promissory note payables HK$'000	Bonds HK$'000	Lease liabilities HK$'000	Bank and other loans HK$'000	Loan from a shareholder HK$'000	Amount due to a director HK$'000	Total liabilities from financing activities HK$'000
At 1 January 2022	–	71,415	–	1,458	12,791	3,233	1,376	90,273
Change in cash flows	–	(11,000)	–	(2,793)	55,212	–	(676)	40,743
Non-cash changes								
– imputed interest	–	8,803	–	–	–	–	–	8,803
– loss on early redemption of promissory notes	–	2,052	–	–	–	–	–	2,052
– interest charged	63	–	–	160	227	90	–	540
– additions of lease liabilities	–	–	–	6,099	–	–	–	6,099
– exchange differences	–	(4,982)	–	–	(881)	–	–	(5,863)
At 31 December 2022 and 1 January 2023	**63**	**66,288**	**–**	**4,924**	**67,349**	**3,323**	**700**	**142,647**
Change in cash flows	**(63)**	**–**	**8,252**	**(2,608)**	**(5,058)**	**(3,345)**	**(700)**	**(3,522)**
Non-cash changes								
– imputed interest	**–**	**2,799**	**121**	**–**	**–**	**–**	**–**	**2,920**
– gain on initial recognition of bonds	**–**	**–**	**(3,826)**	**–**	**–**	**–**	**–**	**(3,826)**
– loss on modification of lease liabilities	**–**	**–**	**–**	**2**	**–**	**–**	**–**	**2**
– interest charged	**–**	**–**	**–**	**208**	**–**	**22**	**–**	**230**
– additions of lease liabilities	**–**	**–**	**–**	**504**	**–**	**–**	**–**	**504**
– disposal of subsidiaries	**–**	**(69,352)**	**–**	**–**	**–**	**–**	**–**	**(69,352)**
– exchange differences	**–**	**265**	**–**	**–**	**(1,805)**	**–**	**–**	**(1,540)**
At 31 December 2023	**–**	**–**	**4,547**	**3,030**	**60,486**	**–**	**–**	**68,063**

45. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of Autostereoscopic 3D Limited

On 19 September 2023, the Group and certain vendors (the "Vendors") entered into a sale and purchase agreement, pursuant to which, the Vendors have conditionally agreed to sell and the Group has conditionally agreed to acquire the entire issued share capital of Autostereoscopic 3D Limited (the "Target Company") and its subsidiaries (collectively refer to as the "Target Group"). The consideration for the proposed acquisition is HK$100 million, which shall be settled by (i) the Promissory Notes in the aggregate principal amount of HK$75,985,677.28; and (ii) the allotment and issue of a total of 11,117,742 consideration shares by the Company to the Vendors (or their nominee(s)). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

Meanwhile, to secure the Company's obligations under the sale and purchase agreement, upon completion, the Company shall procure Giant Prestige Investment Limited, (the "Chargor"), being a direct wholly-owned subsidiary of the Company, to execute the Deed of Share Charge in favour of the Vendors, as chargees. Under the Deed of Share Charge, the Chargor shall, by way of first fixed charge and floating charge, charge to the Vendors of all its right, title and interest in and to the Charged Shares, as continuing security for the payment or discharge of the Secured Obligations.

Details are set in the announcement dated 19 September 2023.

Up to the date of these consolidated financial statements, the acquisition has not yet completed.

(b) Establishment of joint venture company

In January 2024, the Group has entered into an agreement ("JV Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi.

Details of the JV Agreement and the JV Company are set in the announcement dated 30 January 2024.

46. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 25 March 2024.

Five Year Financial Summary

31 December 2023

A summary of the results from continuing operations and discontinued operation and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published annual report and audited financial statements is set out below:

	Year ended 31 December				
	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Continuing operations					
REVENUE	**49,228**	59,324	61,426	38,508	52,535
Loss before tax	**(22,974)**	(87,253)	(90,825)	(11,839)	(82,670)
Income tax credit	**80**	1,388	139	424	299
Loss for the year from continuing operations	**(22,894)**	(85,865)	(90,686)	(11,415)	(82,371)
Discontinued operation					
(Loss)/profit for the year from discontinued operation	**(1,879)**	253	270	468	436
LOSS FOR THE YEAR	**(24,773)**	(85,612)	(90,416)	(10,947)	(81,935)
Attributable to:					
Owners of the Company	**(22,755)**	(82,295)	(90,326)	(9,758)	(80,850)
Non-controlling interests	**(2,018)**	(3,317)	(90)	(1,189)	(1,085)
	(24,773)	(85,612)	(90,416)	(10,947)	(81,935)

	As at 31 December				
	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**349,884**	468,784	487,862	560,066	548,373
TOTAL LIABILITIES	**88,944**	(192,593)	(133,600)	(144,480)	(173,824)
NET ASSETS	**260,940**	276,191	354,262	415,586	374,549
Equity attributable to:					
Owners of the Company	**270,759**	284,021	358,859	419,811	376,297
Non-controlling interests	**(9,819)**	(7,830)	(4,597)	(4,225)	(1,748)
	260,940	276,191	354,262	415,586	374,549

Particulars of Property Interests

Particulars of property interests held by the Group as at 31 December 2023 are as follows:

Location	Use of Investment Properties	Tenure	Attributable interest of the Group
Investment properties			
A composite building situated in No. 123 Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC	Commercial, office and other use permitted by the laws and regulations of the PRC	Medium	100%

中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code：8178)

2024 Annual Report

CHARACTERISTICS OF GEM (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of China Information Technology Development Limited (the "Company" or "CITD") 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 (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively the "Group"). 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.

This report will be available on the Company's website http://www.citd.com.hk and will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at http://www.hkexnews.hk for at least 7 days from the date of its posting.

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)
Mr. Chu Joshua Allen Kiu Wah
(Appointed on 28 June 2024)
Mr. So Han Meng Julian
(Appointed on 1 November 2024)
Mr. Chang Ki Sum Clark (Retired at the annual general meeting on 28 June 2024)

NON-EXECUTIVE DIRECTOR

Hon. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH*
(Appointed on 1 August 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Hoi Kuen
Dr. Chen Shengrong
Mr. Chu Wun Chiu (Appointed on 1 August 2024)
Mr. Hung Hing Man (Resigned on 1 August 2024)

COMPANY SECRETARY

Ms. Lam Mei Wai Michelle

COMPLIANCE OFFICER

Mr. Chang Ki Sum Clark

AUTHORISED REPRESENTATIVES

Mr. Wong King Shiu Daniel
(Appointed on 28 June 2024)
Ms. Lam Mei Wai Michelle
Mr. Chang Ki Sum Clark
(Resigned on 28 June 2024)

NOMINATION COMMITTEE

Mr. Wong Hoi Kuen (Re-designated as Committee Chairman on 1 August 2024)
Dr. Chen Shengrong
Mr. Chu Wun Chiu (Appointed on 1 August 2024)
Mr. Hung Hing Man (Resigned on 1 August 2024)

REMUNERATION COMMITTEE

Mr. Wong Hoi Kuen *(Chairman)*
Dr. Chen Shengrong
Mr. Chu Wun Chiu (Appointed on 1 August 2024)
Mr. Hung Hing Man (Resigned on 1 August 2024)

AUDIT COMMITTEE

Mr. Wong Hoi Kuen (Re-designated as Committee Chairman on 1 August 2024)
Dr. Chen Shengrong
Mr. Chu Wun Chiu (Appointed on 1 August 2024)
Mr. Hung Hing Man (Resigned on 1 August 2024)

AUDITOR

Prism Hong Kong Limited
(Formerly known as Prism Hong Kong and Shanghai Limited)
Certified Public Accountants
Registered Public Interest Entity Auditor
(Appointed on 28 June 2024)
ZHONGHUI ANDA CPA Limited (Retired at the annual general meeting on 28 June 2024)

LEGAL ADVISOR

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Public Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road
Kwun Tong, Hong Kong

REGISTERED OFFICE

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

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

STOCK CODE

8178

COMPANY WEBSITE

www.citd.com.hk

Chairman's Statement

Dear Shareholders,

I am pleased to present the annual results of China Information Technology Development Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2024 (the "Year").

FINANCIAL SUMMARY

During the Year, the Group recorded a revenue of approximately HK$41,485,000 representing a decrease of approximately 15.7% from approximately HK$49,228,000 in the year ended 31 December 2023 (the "Corresponding Year"). The gross profit for the Year amounted to approximately HK$22,398,000, which represented a gross profit margin of approximately 54.0% (2023: approximately 45.8%), an increase compared to the Corresponding Year. The increase in gross profit margin is mainly due to the Group had been focusing on provision of IT services during the Year. Loss for the Year attributable to the equity owners of the Company was approximately HK$37,634,000 (2023: loss of approximately HK$20,876,000). The increase in loss is mainly due to increase in fair value loss on the investment properties from approximately HK$5,536,000 in 2023 to approximately HK$20,617,000 in 2024. The Group's results are discussed in detail under the section headed "Management Discussion and Analysis" in this annual report.

REVIEW AND OUTLOOK

The rapid digital transformation across industries has driven an unprecedented demand for innovative solutions. The global market for artificial intelligence ("AI"), for example, grew beyond USD184 billion in 2024, a considerable jump of nearly USD50 billion compared to 2023. Seeing a huge potential for growth, during the Year, the Company had been strategically focused on technology advancements in cloud computing, Web 3.0 and AI etc in order to meet the evolving needs of our clients, allowing us to launch several cutting-edge products that have received positive feedback from the market. We had acquired Popsible Limited, a company providing information technology and public relation services that are tailored to and aligns with clients' strategic goals. It enabled the Group to increase its revenue stream and ultilise its resources more efficiently with other subsidiaries of the Group.

Meanwhile, the global market was facing headwinds in 2024 with geopolitical tensions, debt issues and inflationary pressure. During the Year, the Chinese GDP growth has hindered, in addition to the rising unemployment rate, China had also experienced slowdown in its economy. The Company had continued the prudent approach in order to maintain sustainable and healthy business development. The Group has allied and collaborated with various experts in IT and other industries and looked for potential acquisitions for synergies without affecting too much of the Group's cashflow and resources. Gulf Corporation Council ("GCC") region is one of the important regions of the Belt and Road Initiative which aims to facilitate connectivity and unimpeded trade, and advance financial integration and regional cooperation while United Arab Emirates ("UAE") has stolen the spotlight and is becoming a key player in the global economy. During the Year, the Group had established a joint venture company to drive sustainable positive changes in the environmental, social, and governance (ESG) sector in Dubai. We had also entered into a cooperation agreement with Masary Capital for a strategic business partnership in the UAE and the wider GCC region. Grabbing hold of the potential in UAE, the Company has been considering a possible dual listing of the shares of the Company on the Abu Dhabi Securities Exchange (ADX) or the NASDAQ Dubai under Dubai Financial Market (DFM) in the UAE ("Proposed Dual Listing"). Equipped with these strong connections, the Group will be able to grab hold of the golden chance to step into new potential markets and expand its client bases.

Chairman's Statement

Subsequent to the Year, the U.S. President Donald Trump's return to the White House has created complexity to the global geopolitical and economic landscape. Looking ahead, we shall continue to take cautious actions to strengthen our existing business while discovering new investments and opportunities. With the Hong Kong and Chinese governments' constant support for the technology sector and their commitment to innovation, it creates a favorable environment for our growth. We will continue to explore new markets and enhance our services to ensure we remain at the forefront of technological advancements. Our commitment to customer satisfaction remains unwavering, and we take pride in the long-term partnerships we have cultivated with our clients, which are instrumental in our business development. With the foundation laid in 2024, the Company is well-prepared to leverage emerging technologies and market trends to enhance its competitive advantage and deliver exceptional value to its clients in the years to come.

APPRECIATION

I would like to take this opportunity to extend my sincere gratitude to the shareholders of the Company ("Shareholders"), customers and business partners of the Group for their continuous support and trust and thank my fellow directors for their concerted effort and insights throughout the past years. We treasure the efforts from the Group's management team and the unwavering commitment of our staff. On behalf of the Board, I would like to express my sincere appreciation to our management team and staff for their dedication and commitment.

Wong King Shiu, Daniel
Chairman and Chief Executive Officer
China Information Technology Development Limited

THE BOARD'S RESPONSE TO THE QUALIFIED OPINION

The View of the Board and the Audit Committee on the Qualified Opinion

The auditors expressed a qualified opinion in the independent auditors' report on the Group's financial statements for the year ended 31 December 2024 (the "Independent Auditors' Report"). As stated in the "Basis for Qualified Opinion" section in the Independent Auditors' Report, the basis for the auditors to express a qualified opinion arose from the auditor not being able to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the technical knowhow license and servicing agreement (the "Subcontract Agreement") the Group entered into with a service provider for the development of technical knowhow upon which the Group would provide the relevant technical knowhow services to two customers pursuant to the technical knowhow license and servicing agreements (the "Servicing Agreements") the Group entered into with them during the year ended 31 December 2023.

The Board and the audit committee of the Board have reviewed and agreed with the qualified opinion on the Independent Auditors' Report (the "Audit Qualification"). Below sets out the view of the Board and the Audit Committee in relation to the Audit Qualification and the proposed plan to address the Audit Qualification.

Details of the basis of the Audit Qualification

The Group entered into the Servicing Agreements in November 2022 to provide technical knowhow and related services with contract sum of USD87 million and service period of 3 years.

During the year ended 31 December 2023, the Group received advances in the form of cryptocurrency amounting to Tether ("USDT") 12,028,000 and Binance USD ("BUSD") 62,000 (equivalent to approximately HK$94,299,000) from the two customers. The Group also engaged the service provider for the development of such technical knowhow and deposited to the service provider in the form of cryptocurrency amounting to USDT12,028,000 and BUSD62,000 (equivalent to approximately HK$94,299,000). During the year ended 31 December 2023, certain portion of the services were provided and delivered to the customers. The revenue of USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (USDT12,028,000 and BUSD62,000) were recorded on a net basis since management considered the Group acts as an agent in these transactions. The two customers requested the consideration to be settled in cryptocurrency and the Company and the service provider agreed to such arrangement.

In November 2023, the management of the Group has decided to terminate the Servicing Agreements and the Subcontract Agreement. The Group had been in discussion with a public transport company on collaboration and obtained the tender in 2023 for provision of certain technology. The consideration for the tender project is in cash. Going forward, the Group would like to collaborate with reputable public transport companies to enhance the Group's reputation and generate value to the Group and its shareholders. In view of the foregoing and considering the payment settlement method and to utilize the resources of the Group more efficiently and effectively, the Group considered that the tender project was preferred and therefore terminated the Servicing Agreements and the Subcontract Agreement.

There were no alternative audit procedures that could satisfy the auditors the consolidated statement of profit or loss for the year ended 31 December 2023 were properly stated. The auditors were unable to determine whether adjustments to the consolidated statement of profit or loss for the year ended 31 December 2023 might be necessary. The audit opinion on the current year's financial statements is modified because of the possible effect of these matters on the comparability of the current year's corresponding figures and disclosures.

Management View And Position On the Audit Qualification

The Company considered that during the financial years ended 31 December 2024 and 2023, it has made its best endeavours to provide all the available information and documents for audit purpose in order for the existing auditors and predecessor auditors to understand the business rationale for entering into and terminating the Servicing Agreements and the Subcontract Agreement and to verify the transactions recorded during the year 2023. Nevertheless, the Company was unable to provide all the information and documents requested by the existing auditors and predecessor auditors. The information and documents requested mainly includes the business plan for the projects, budgets, profit analysis, test trials and system details of the technical knowhow, the Servicing Agreements, the Subcontract Agreement and the corporate approvals for entering thereto, correspondence with the customers at negotiation stage of the Servicing Agreements, throughout implementation of the projects and at termination, analysis including manpower plan and potential loss for termination of the Servicing Agreements and Subcontract Agreement, the correspondence between the Company and the service provider and the correspondence between the service provider and the Company's customers.

The Company was unable to provide the budgets, manpower plan and profit analysis for its engagements with its customers and the service provider as well as the test trials and system details of the technical knowhow and the correspondence between the service provider and the Company's customers. The service provider provided the technical knowhow services to the two customers directly and so the Company was unable to provide the test trials and system details of the technical knowhow and the requested correspondence.

The Company was unable to provide the other requested documents due to deficiencies in internal control and has implemented certain remedial measures to address the deficiencies and avoid re-occurrence of the same. Details of the remedial measures are set out in the section headed "Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented" in the corporate governance report of the 2023 annual report.

In preparation of the Group's financial statements for the year ended 31 December 2023, the management took into consideration the following factors in arriving at its position:

1. the discussion between the Group and the two customers regarding the Servicing Agreements, the entering into of the agreements, the services provided and the payment thereof;

2. the discussion between the Group and the service provider regarding the Subcontract Agreement, the entering into of the agreement, the services provided thereunder and the payment thereof; and

3. the interviews and meetings conducted by the auditor with the customers and the service provider in relation to their business relationship and projects with DataCube.

As the basis giving rise to the qualified opinion on the current year's financial statements was developed based on the auditors were unable to draw comfort on the comparative figures of the same item contained in the current year's financial statements. Having considered that the Servicing Agreements and Subcontract Agreement had been terminated in November 2023, the Company is of the view that the above basis giving rise to the qualified opinion on the Financial Statements in 2024 will be removed from the consolidated financial statements of the Company for the financial year ended 31 December 2025 (the "FY2025"), and accordingly, such basis for the current year's financial statements will be properly addressed in the consolidated financial statements of the Company in FY2025.

Audit Committee's View on the Audit Qualification

The audit committee of the Company discussed with the auditor and enquired management of their position and basis of assessment. The audit committee reviewed the audit modifications and understood that the auditor was unable to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the above transactions. The audit committee also reviewed and understood the position of the management and agreed with the view of the management's position and basis.

Impact On The Company's Financial Position And Plan To Address the Audit Qualification

The board and the audit committee understand, after discussion with the auditors, that the Audit Qualification exists in the company's comparative figures on the Company's consolidated statement of profit or loss for the year ended 31 December 2024 and will be fully removed in the Company's financial statements for the year ending 31 December 2025. Considering the reasons for the Audit Qualification, the Company has reviewed its internal control and implemented certain remedial measures to address the deficiencies in 2023. Further details of the deficiencies and remedial measures implemented are set out in the section headed "Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented" in the corporate governance report of the 2023 annual report. The Company shall continue to follow the measures and ensure the applicable GEM Listing Rules requirements will be complied with going forward.

Management Discussion and Analysis

BUSINESS REVIEW

Facing the volatility brought by the geo-political instability and macro economy, the Group has been vigilant of the uncertainties and challenges ahead and taking opportunities to cement and expand its AI and other IT businesses with prudent risk management in the Year. The Group has allied and collaborated with various experts in IT and other industries and looked for potential acquisitions for synergies without affecting too much of the Group's cashflow and resources.

Establishment of a Joint Venture Company

In January 2024, the Group has entered into an agreement ("JV Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi (the "JV Business"). Details of the JV Agreement and the JV Company are set in the announcement dated 30 January 2024.

As at the date of this report, the JV Company has not yet commenced business.

Acquisition of 100% Equity Interest in Popsible Limited Involving the Issue of Consideration Shares under General Mandate

On 6 June 2024, Gold Unity Limited ("Gold Unity"), a wholly-owned subsidiary of the Company, had entered into an agreement (the "Agreement") with JStage Technology Limited ("JStage"), pursuant to which Gold Unity, as the purchaser (the "Purchaser") intended to acquire and JStage as the vendor (the "Vendor"), intended to sell 100% equity interest in Popsible Limited ("Popsible"), a company providing information technology and public relation services, at the consideration of HK$11,500,000, settled by way of allotment and issue of 11,500,000 consideration shares by the Company at HK$1.00 per share (the "Acquisition"). The Acquisition was completed and 11,500,000 consideration shares had been allotted and issued on 12 July 2024.

Details of the above Acquisition are set out in the announcements dated 6 June 2024 and 12 July 2024.

Cooperation agreement with Masary Capital Investments LLC FZ ("Masary Capital")

In September 2024, the Company has entered into a cooperation agreement (the "Cooperation Agreement") with Masary Capital, pursuant which the Company will establish a strategic business partnership with Masary Capital, whereby Masary Capital will promote and supervise the Company's predictive AI projects in the GCC region. The Board expects these projects will include (i) AI-powered predictive maintenance solutions for infrastructure projects; (ii) AI-powered geo-fencing solutions to minimize accidents around key installations in the ocean; (iii) AI-powered ship tracking and bridge monitoring solutions for enhancing navigational safety on ships; (iv) AI-powered risk management solutions for the finance industry; and (v) AI-powered revenue management solutions for the retail industry. To assist with the Company's business development in the UAE and the wider GCC region, the Company will appoint Mr. Sheikh Khalil Abdulla as an advisor to the Board of the Company, effective from 1 October 2024.

The Board believes that the entering into of the Cooperation Agreement will facilitate the Group's expansion of its predictive AI solutions and services to the UAE and the wider GCC region, which is in line with the future development direction of the Group.

Details of the above Cooperation Agreement are set out in announcement dated 11 September 2024.

Subscription of New Shares Under General Mandate

In November 2024, the Company entered into the subscription agreement with the A M K M INVESTMENTS L.L.C, a company incorporated in the United Arab Emirates with limited liability (the "Subscriber"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 12,353,000 subscription Shares ("Subscription Shares") at the subscription price of HK$6.31 per subscription share (the "Subscription Agreement"). The Subscription Shares will be issued and allotted under the general mandate granted to the Directors by the Shareholders at the annual general meeting on 28 June 2024 ("AGM").

The Subscription Shares represent (i) approximately 16.86% of the existing issued share capital of the Company as at the date of the report; and (ii) approximately 14.43% of the enlarged issued share capital of the Company immediately following the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of the announcement and the Completion.

The Subscriber undertakes to the Company that it shall, and shall procure its nominee to, remain the sole beneficial owner of the Subscription Shares which are not subject to any encumbrances, and shall not, without the prior written consent of the Company, dispose or procure its nominee to dispose any of the Subscription Shares. The Subscriber further undertakes that, without the prior written consent of the Company, the Subscriber shall not and shall procure its nominee not to pledge, charge, or create encumbrance over the Subscription Shares during the lock-up period (collectively referred as the "Lock Up"). The Lock-Up shall automatically expire if the Proposed Dual Listing does not take place on or before the third anniversary of the Subscription Agreement or any other date agreed by the parties of the Subscription Agreement in writing.

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription is expected to be US$9,993,260 (equivalent to approximately HK$77.95 million) (together with SFC transaction levy, Stock Exchange trading fee and other levies and fees as may be payable by the Subscriber). The net proceeds from the Subscription, after deducting all the relevant expenses, will amount to approximately HK$77.75 million, which represents the net issue price of approximately HK$6.30 per Subscription Share. The intended use of the net proceeds shall be (i) 70% of the net proceeds (equivalent to approximately HK$54.43 million) will be used for the general working capital in the UAE, including but not limited to, the expenses for the setup of the office and the business development in the UAE; and (ii) 30% of the net proceeds (equivalent to approximately HK$23.32 million) will be used for the general working capital in Hong Kong, including but not limited to, the office rents, salaries and administrative expenses in Hong Kong.

The Company has been liaising with the bank in Dubai regarding the operation and opening of the bank account of the Company. As additional time is required for liaison with the bank in Dubai and the fulfilment of the conditions precedent under the Subscription Agreement, the Company and the Subscriber entered into supplemental agreements, pursuant to which the Company and the Subscriber agreed to further extend the long stop date to 3 April 2025.

The Company shall publish an announcement regarding the completion of Subscription when appropriate.

Details of the above Subscription and the Subscription Agreement are set out in the announcements dated 7 November 2024, 5 December 2024, 2 January 2025, 3 February 2025 and 3 March 2025.

Macro Systems

During the Year, Macro Systems Limited allied with various top-class industry elites to continuously promote enterprise market's digital transformation in Hong Kong. Macro Systems has continued to be the "Nutanix Certified Sales Expert" and gained "Master Partner", the highest tier of partnership in the Nutanix Partner Program. Besides, Macro Systems has been the "Gold Partner" in Sangfor Technology Channel Partner, IBM PartnerWorld Program "Silver Partner" as well as "VMware Partner Connect Program – Advanced Partner". These awards and partnerships issued by various world-class partners are solid affirmation of our high quality services.

Macro Systems, had been the tech provider to issue a tokenized injunction order to freeze the assets involved in the case against two wallet holders suspected of holding stolen cryptocurrencies. This was the first time that High Court approved for the use of blockchain technology to issue orders. With the experience and technology Macro Systems possess, we provided revolutionary but reliable and advanced services to our clients and made a major step forward in resolving virtual asset-related disputes.

Meanwhile, we continued to utilise our scenario driven business agility zone at our experience centre in Tsimshatsui to allow our customers to experience the business transformation we bring with secured intelligence and technology. It allows clients to have a first-hand experience of smart office with high speed connection at any location. Not only does it help business to be performed in a seamless and agile way from office to anywhere by virtual workspace, it helps business to save energy and improve environment. We believe the experience zone can successfully strengthen our clients' confidence in deploying virtual workspace solution and facilitate the related business project progress. In June 2024, Macro Systems hosted the M365 Data Protection Event with Veeam. The event was well-attended by industry experts and leaders, who actively participated in the discussion about best practices for protecting and managing Microsoft 365 data. During the event, attendees shared valuable insights, asked questions, and engaged in insightful conversations about the challenges and importance of data protection.

During the Year, Macro Systems recorded a revenue of approximately HK$22,306,000, representing a decrease of 26.1% as compared to the revenue of approximately HK$30,199,000 in 2023. The decrease in revenue of Macro Systems was mainly attributable to decrease in sale of hardware and software as the Group is focusing on provision of IT services for better cash flow.

DataCube

During the Year, DataCube Research Centre Limited ("DataCube"), was rewarded the prestigious Gold Award at the 48th Geneva International Exhibition of Inventions, for the "AI Sensors Fusion Technique in Train Bogie Maintenance" jointly developed by DataCube and a public transportation company. This project utilizes artificial intelligence technology to develop a sophisticated algorithm capable of collecting real-time vibration frequency data from train bogies. It effectively predicts abnormal conditions, thereby improving monitoring and maintenance efficiency. This award is a testimony of the outstanding performance of DataCube and highlighted its leading position in big data analysis and modeling algorithms. Meanwhile, it has also continued to promote data modelling and big data analysis, as well as developing related technologies to expedite the adoption and drive the evolution of AI and business intelligence across different industries and regions with its unique advanced core technologies of the AI Book, AI Manager and BI Canvas. As such, DataCube provides the technological platforms and all related resources to drive the development of smart cities in Asia. Currently, the AI Book and BI Canvas developed by DataCube serve clients in the PRC.

The smart logistics and customer relationships management system (the "CRM system"), one of the branches of the AI Booster solution services, is a simplified AI solution targeting small to medium-sized enterprises without AI specialists. It is an end-to-end ecosystem that provides leading-edge solutions for model development, deployment, monitoring and evolution.

According to the data collected by DataCube, the smart logistics and CRM system of the AI Booster solution services help customers of the Group to select the optimal transportation by providing real-time information sharing so that on-time delivery can be achieved. It can also monitor exceptional changes of the business while providing more personalised recommendation to the customers. The algorithms and data management technologies used in the AI Book and BI Canvas can create synergy for the development of AI Booster and the smart logistics and CRM system, allowing the Group to seamlessly streamline its entire data process and leverage cutting-edge AI technologies. Therefore, the Company has been injecting resources in research and development on its AI technology in the smart logistics and CRM system to transform enormously complex data with automated machine learning platforms and augmented analytics into useful insights which enables the Group to provide timely services to its customers. The system shall also provide automated sales and customer service interactions and other logistics management services.

During the Year, DataCube contributed a revenue of approximately HK$4,222,000 representing an increase of 23.8% as compared to the revenue of approximately HK$3,411,000 in 2023. During the Year, DataCube focused on the cooperation with the mass rapid transit company and obtained higher amount of revenue from it.

FUTURE PROSPECT

The Company is strategically positioned to capitalize on the rapid advancements in technology and the growing demand for digital transformation across various sectors. During the Year, we had upheld our strategy and cooperated with our business partners. With the partnerships also acquisition of Popsible settling in, we believe that it will empower and synergize our main businesses in the future.

In the years to come, the Company continues to focus on our main businesses and recognize that AI, cybersecurity, machine learning and other technologies are crucial for the future growth of the Company. The Company shall deliver innovative products that meet the evolving needs of our clients from all industries. As such, the Company shall strengthen our technological capabilities and foster partnerships and collaborations with other leading technology companies to drive innovation and enhance our products and services quality.

Facing the rising geopolitical conflicts and tensions, the high interest rate and inflation, the macro-economic condition remains volatile, the Company will keep its prudent approach while broadening the income stream with the joining of Popsible in the Group, the Company shall continue to explore potential international markets like UAE through localized AI solutions and blockchain partnerships to diversify its revenue streams and mitigate risks associated with fluctuations in the domestic market. The Group is more equipped to pivot our services to offer dynamic engagement frameworks tailored to clients' evolving financial priorities. This flexibility not only retained high-value clients during economic uncertainty but also unlocked new opportunities in niche markets previously underserved by traditional models. The Company will be committed to making appropriate business and investment decisions as and when appropriate in light of the Company's business plan and the market conditions to create greater value to the Company and its Shareholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Continuing Operations

Revenue

The Group's revenue for 2024 amounted to approximately HK$41,485,000, decreased by 15.7% from approximately HK$49,228,000 in 2023. The decrease in revenue is mainly due to the decrease in the revenue from sale of computer hardware and software and focusing on provision of IT services during the year.

Cost of sales and services

The Group had a total cost of sales and services of approximately HK$19,087,000 in 2024, which decreased by 28.4%, compared with approximately HK$26,660,000 in 2023. The decrease is mainly due to less trading of computer hardware and software during the Year.

Gross profit

The gross profit of the Group in 2024 amounted to approximately HK$22,398,000 which decreased by approximately HK$170,000, compared with approximately HK$22,568,000 in 2023.

Other income and gains

During the financial year ended 31 December 2024, the Group generated other income and gains of approximately HK$1,031,000 (2023: approximately HK$3,472,000). The decrease in other income is mainly due to the decrease in other interest income during the year.

Selling and distribution expenses

The Group's selling and distribution expenses in 2024 amounted to approximately HK$1,580,000, which decreased by HK$7,410,000, compared with approximately HK$8,990,000 in 2023. The decrease was due to the research and development expenses for smart retail cloud platform and network security of IoT cloud platform approximately HK$8,256,000 incurred in 2023 and the Group does not have such expense during the year.

Administrative expenses

Administrative expenses of the Group in 2024 were approximately HK$34,076,000, decreased by 12.6%, compared to approximately HK$38,979,000 in 2023. The decrease is due to decrease in the advertising and promotion of the Group's products and legal and professional fees for publication of circulars and announcements in relation to the corporate actions of the Company during the year.

Fair value loss on investments at fair value through profit or loss

As at 31 December 2024, the Group held an investment portfolio comprising of marketable securities that are outside Hong Kong. The fair value loss from the portfolio amounted to approximately HK$202,000 (2023: gain of approximately HK$29,000).

Change in fair value of investment properties

As at 31 December 2024, the fair value of investment properties decreased by approximately HK$20,617,000 (2023: approximately HK$5,536,000).

Finance costs

Finance costs of the Group for 2024 were approximately HK$2,578,000, a decrease of approximately HK$3,011,000, comparing to approximately HK$5,589,000 in 2023. The decrease in finance costs is mainly due to the promissory note was disposed together with a subsidiary during 2023.

Loss attributable to owners

The Group's loss attributable to owners of the Company was approximately HK$37,634,000 for 2024 as compared to approximately HK$20,876,000 in 2023. The increase in loss is mainly due to increase in fair value loss on the investment properties from approximately HK$5,536,000 in 2023 to approximately HK$20,617,000 in 2024.

FINANCIAL POSITION

Liquidity and financial resources

As at 31 December 2024, cash and bank balances held by the Group decreased from approximately HK$11,595,000 as of 31 December 2023 to approximately HK$5,371,000.

As at 31 December 2024, the Group's total borrowings amounted approximately HK$60,740,000 (2023: approximately HK$65,033,000). The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.25 (2023: 0.25).

For the year ended 31 December 2024, the Group had capital expenditure of approximately HK$39,000 (2023: approximately HK$638,000) for addition of property, plant and equipment.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries

On 6 June 2024, Gold Unity, a wholly-owned subsidiary of the Group, had entered into an agreement with JStage, pursuant to which Gold Unity has conditionally agreed to acquire, and JStage has conditionally agreed to sell 100% of the issued share capital of Popsible at a consideration of HK$11,500,000 which to be settled by way of allotment and issue of the 11,500,000 consideration shares by the Company. The acquisition was completed on 12 July 2024 and Popsible became a wholly owned subsidiary of the Group. Details of the acquisition is set out on the page 9 of the annual report and Note 37(c) in the consolidated financial statements. After the acquisition, during the Year, Popsible contributed a revenue of approximately HK$1,818,000 to the Group.

There is no plans for material investments or capital assets as at the date of this report.

Capital structure

As at 31 December 2024 and as at the date of this report, there are a total of 73,265,237 (2023: 61,765,237) issued shares of the Company of par value of HK$0.1 each.

The details of the changes in capital structure of the Company during the year are set out in Note 35 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To their best of knowledge and belief, the Directors consider that the followings are the key risks and uncertainties identified by the Group as at the date of this report.

Foreign Exchange Rates Risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Liquidity Risk

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

Price Risk

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

EMPLOYEES AND REMUNERATION POLICIES

There were a total of 70 employees in the Group as of 31 December 2024 (2023: 61 employees). Total expenses on employee benefits amounted to approximately HK$24,216,000 of which HK$1,764,000 is related to equity-settled share-based payment for the year ended 31 December 2024 (2023: approximately HK$21,744,000 of which HK$931,000 is related to equity-settled share-based payment). The management believes the remuneration packages offered by the Group to its employees are competitive.

The Remuneration Committee of the Company recommends the level of remuneration for Directors, subject to approval by the Board. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. In order to determine the level of remuneration paid to the members of the Board, market rates and factors such as time commitment, responsibilities of directors and the Group's performance are taken into account. As part of the remuneration package, Board members may be granted a certain number of share options under share incentive schemes adopted by the Company from time to time. Such securities may be granted upon the recommendation of the Remuneration Committee and will be subject to approval by the Board or the Shareholders (if necessary).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and the remuneration structure of employees that comprises of basic wage, allowances, benefits and others, and grants employees share options as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance on behalf of its employees in PRC in accordance with the relevant laws and regulations requirements of the PRC. The emoluments payable to employees of the Group are determined based on their responsibilities, qualifications, experiences and the role taken as well as the industry practices. Other benefits to the employees of the Group include, among other things, share options. Details of the shares options granted are set out in the section headed "Share Option Scheme" in this annual report.

REDEMPTION, PURCHASE OR CANCELLATION OF THE COMPANY'S REDEEMABLE SECURITIES

Neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any of the Company's redeemable securities during the Year.

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

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

EVENTS AFTER REPORTING PERIOD

Save as disclosed in this annual report, there are no other important events affecting the Group that has taken place subsequent to the Year and up to the date of this report.

Biographical Information of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. WONG King Shiu, Daniel ("Mr. Daniel Wong"), aged 65, has been appointed as the chairman of the Board and chief executive officer of the Company with effect from 25 November 2019. He was the authorised representative and the process agent of the Company from 12 November 2020 to 31 March 2021. He has been re-appointed as the authorized representative of the Company again on 28 June 2024.

He has over 13 years of experience in natural resources industry and served as an executive director in a various natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. He was an independent non-executive director of Huisheng International Holdings Limited (Stock Code: 1340) from 7 June 2016 to 30 June 2022. Mr. Daniel Wong joined the Group on 16 August 2017.

Mr. CHU Joshua Allen Kiu Wah, aged 38, is a qualified lawyer and law lecturer in Hong Kong. In addition to his legal role, Mr. Chu is also currently serving as Senior Consultant with Prosynergy. With a broad and extensive practice covering dispute resolution, cybersecurity, and technology law, Mr. Chu has led a number of notable cases in Hong Kong including obtaining the jurisdiction's first Court Order for service via data room in Hwang Joon Sang & Anor v. Golden Electronics Inc. & Ors [2020] HKCFI 1084, appearing as co-advocate in Chan Wing Yan and Anor. v. JP-EX Crypto Asset Platform Pty Ltd and Others [2024] HKDC 1628 and more recently, spearheading efforts to deploy tokenized injunction order.

Aside from his professional roles, Mr. Chu also serves as the current Co-Chair of the Hong Kong Web3 Association, legal advisor for Hong Kong Blockchain Association and director at Corporate Counsel Hong Kong Association.

Mr. Chu graduated from the University of Texas at Dallas, USA, with a Bachelor of Science degree in Business Administration and Management in May 2009 and a Master of Science degree in Healthcare Management, Business Administration and Management in May 2010. Subsequently, Mr. Chu obtained his Juris Doctor degree (Distinction) and Postgraduate Certificate in Laws from the City University of Hong Kong in October 2014 and July 2015, respectively. Mr. Chu was officially admitted as a qualified solicitor in Hong Kong since March 2018 and is a member of the Law Society of Hong Kong.

Mr. SO Han Meng Julian, aged 53, obtained his degree of Bachelor of Laws from The National University of Singapore. Mr. So is qualified as a solicitor in Singapore, England and Wales and Hong Kong.

He possesses ample experiences in the financial industry, specialising in banking, structured finance, securitisation and derivatives. He is currently Regulatory Consultant of Prosynergy Consulting Limited, a Hong Kong boutique consulting firm that acts as the trusted advisor of financial institutions, fintechs and other companies. He is also Group Chief Executive Officer of Invess Inc., a decentralized financial institution with a vision to build an investment bank, an asset management company and an exchange using decentralisation technologies.

Mr. So was the Chief Advisor to the Board of the Company from October 2023 to October 2024. He was also the Non-Executive Vice Chairman of Marvion Inc, the issued shares of which are traded over the counter (OTC) (Ticker: MVNC) from August 2021 to September 2024. He was the Group Chief Executive Officer of XBE from July 2021 to September 2024. He had also worked in various prestigious international law firms in Singapore and Hong Kong.

Biographical Information of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Hon. LI Sai Wing, *MH, JP*, aged 41, has been appointed as Non-Executive Director with effect from 26 October 2022. Hon Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University. He is currently Justice of the Peace and a member of the Legislative Council (New Territories South East) of Hong Kong since 2022.

Currently, he is the Vice Chairman of Federation of New Territories Youth, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong. Hon Li is a committee member of HKSAR Government Election Committee and CLP Eco Building Fund. Hon Li is a Hong Kong Committee Member of Guangzhou Panyu District CPPCC Committee. He is also the Vice Chairman of New Territories Association of Societies. Hon. Li is also a committee member of Fight Crime Committee of Hong Kong Special Administrative Region ("HKSAR") Government. He was a district council member of Shatin District from 2012 to 2019. He was the PR Project Supervisor of A-World Consulting Limited.

Ms. LEUNG Kar Ming, *MH*, aged 45, has been appointed as non-executive Director with effect from 1 August 2024. She had studied for Bachelor of Business Administration (service operation management) in City University of Hong Kong.

Currently, Ms. Leung is a District Council member (Kwai Tsing District) and member of the Sixth Election Committee of HKSAR. She is also a Hong Kong and Macau member of the 13th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference. She is also a deputy officer of Administration and Human Resources Department of Associated Maritime Company (Hong Kong) Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Hoi Kuen, aged 64, is the chairman of the audit committee, the remuneration committee and nomination committee of the Company. He is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Mr. Wong joined the Group on 16 August 2017. Mr. Wong was an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (Stock Code: 223) for the period from 9 May 2011 to 30 September 2024. Mr. Wong was also the company secretary of China Infrastructure Investment Limited for the period from 1 August 2023 to 21 May 2024, the listing of securities of which were cancelled on the Main Board of the Stock Exchange on 15 November 2024.

Dr. CHEN Shengrong, aged 43, is a member of the audit committee, remuneration committee and nomination committee of the Company. She obtained a doctorate degree in Business Administration from the Pacific States University of the USA in 2011. She was an audit manager with Baker Tilly China Certified Public Accountants and had been the vice general manager of New Times Securities Company Limited in charge of risk control. From August 2014 to December 2016, Dr Chen served as the vice president of finance of Skyslink New Energy Asset Management Limited. From January 2017 to February 2021, she served as the vice president of Sky Cloud Green Data Technology Co, Ltd.(天之雲綠色數據技術有限責任公司). She is currently serving as general manager in China Ageing Welfare Development Co, Ltd. Dr Chen has extensive experience in internal control of enterprises, risk control in investment businesses, project risk evaluation and assets restructuring management. Dr Chen joined the Group on 30 January 2015.

Mr. CHU Wun Chiu, aged 30, has been appointed as independent non-executive Director with effect from 1 August 2024. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Chu has obtained his Bachelor degree in International Politics from Jinan University. He has been a District Council member (Sha Tin East) of Hong Kong and a Hong Kong and Macau member of Shantou City, Haojiang District of CPPCC since January 2024.

He has also been a project approval group member of Environment and Conservation Fund in Hong Kong since January 2023 and a member of Young Democratic Alliance for the Betterment and Progress of Hong Kong since July 2021.

SENIOR MANAGEMENT

Ms. LAM Mei Wai Michelle, is the company secretary and one of the authorised representatives of the Company with effect from 31 March 2021. She holds a Bachelor of Arts from The University of Hong Kong and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and an associate (practitioner's endorsement) of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lam is currently the President of Oakwood Services Limited and has more than 10 years of experience in company secretarial field. She also serves as the company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of the Stock Exchange.

Directors' Report

The Directors are pleased to present their report and the audited consolidated financial statements of China Information Technology Development Limited and its subsidiaries for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 41 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including the results of the Group, the financial position of the Group and a discussion of the principal risks and uncertainties facing the Group as well as indication of likely future developments in the Group's businesses and other relevant information, can be found in the "Management Discussion and Analysis" set out on pages 6 to 16 and the Chairman's Statement as set out on pages 4 to 5 of this report. Such discussion forms part of this Directors' Report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2024 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 64 to 71.

The audit committee of the Company (the "Audit Committee") has reviewed the draft audited consolidated financial statements and annual report before presenting them to the Board for consideration and approval.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 167. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movement in the share capital and share options of the Company during the year are set out in note 35 and note 36 to the consolidated financial statements respectively.

EQUITY-LINKED AGREEMENTS

Save for the old share option scheme adopted by the Company on 2 August 2012 ("2012 Share Option Scheme") and the existing share option scheme adopted by the Company on 15 May 2023 (the "2023 Share Option Scheme") as disclosed in the section headed "Share Options Scheme" of this Directors' Report, the Company has not entered into any equity-linked agreement for the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 39 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no reserve available for distribution to shareholders (including share premium account, foreign currency translation reserve and retained earnings). Under the Companies Law, Cap 22 (Law 38 of 1961, as consolidated and revised) 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 articles of association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business, in accordance with the Company's Articles of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 43.1% of the total sales for the year and sales to the largest customer included therein amounted to 27.0%. Purchases from the Group's five largest suppliers accounted for 41.2% of the total purchases for the year ended 31 December 2024 and purchase from the largest supplier included therein amounted to 21.5%.

None of the Directors or any of their associates or any shareholders of the Company (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 five largest customers and suppliers.

Directors' Report

DIRECTORS

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

Executive Directors:

Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*
Mr. Chu Joshua Allen Kiu Wah (Appointed on 28 June 2024)
Mr. So Han Meng Julian (Appointed on 1 November 2024)
Mr. Chang Ki Sum Clark (Retired at the AGM on 28 June 2024)

Non-Executive Directors:

Hon. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH* (Appointed on 28 June 2024)

Independent non-executive Directors:

Mr. Wong Hoi Kuen
Dr. Chen Shengrong
Mr. Hung Hing Man (Resigned on 1 August 2024)
Mr. Chu Wun Chiu (Appointed on 1 August 2024)

In accordance to Articles 86(3) of the Articles of Association, the Directors appointed during the Year will hold office until the forthcoming annual general meeting of the Company and shall be eligible for re-election.

In accordance with Articles 87(1) and 87(2) of the Articles of Association, one-third of the Directors will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmations of independence from Mr. Wong Hoi Kuen, Dr. Chen Shengrong and Mr. Chu Wun Chiu and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 17 to 19 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Report

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group as well as the recommendation of the remuneration committee of the Company (the "Remuneration Committee"). Further details of the Directors' remuneration and the five highest paid individuals are set out in the note 11 to the consolidated financial statements on pages 126 to 128 of the annual report.

PERMITTED INDEMNITY OF DIRECTORS

Pursuant to the Articles of Association, every Director or other senior officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office 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.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACTS

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts, other than the employment contracts of the Directors and senior management of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

There is no transactions, arrangements and contract of significance to the business of the Group between the Company , or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the Reporting Period. During the Year, no transactions, arrangements and contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Capacity	Nature of Interest		Percentage of the Company's issued share capital *(approximately)* *(Note a)*
		Registered Shareholder	Underlying Interest	
Executive Directors				
WONG King Shiu, Daniel	Beneficial owner	655,550	–	0.89%
		–	615,000 *(Note b)*	0.84%
Non-Executive Director				
Hon. LI Sai Wing, *MH, JP*	Beneficial owner	–	200,000	0.27%
Independent Non-Executive Directors				
WONG Hoi Kuen	Beneficial owner	–	34,000 *(Note c)*	0.05%
CHEN Shengrong	Beneficial owner	–	34,000 *(Note c)*	0.05%
Former Executive Director				
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	Beneficial owner	–	614,374	0.84%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 73,265,237 Shares.

(b) Mr. Wong King Shiu, Daniel was granted 3,430,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).

(c) The directors were each granted 340,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).

Save as disclosed above and in the paragraph headed "Share Options Scheme", as at 31 December 2024, none of the Directors or chief executive had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

EMOLUMENT POLICY

The employees' remuneration depends on their particular duties and their performance. The Company conducts employee performance review annually to evaluate and adjust the employees' remuneration. The Company enters into individual employment agreements with the employees, with terms covering, among other things, positions, salaries, working hours, annual leave and other benefits. The Group has the 2023 Share Option Scheme in place to enable the Board to grant share options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group. For details in relation to the 2023 Share Option Scheme and the 2012 Share Option Scheme, please refer to the paragraph headed "Share Option Scheme" from pages 25 to 32 of this annual report.

The emoluments of Directors are determined based on the skill, knowledge, duties and responsibilities. Each Director and senior management are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the Directors waived any emoluments for the year ended 31 December 2024.

SHARE OPTION SCHEME

2012 Share Option Scheme

The Company has adopted a share option scheme with effect from 2 August 2012 pursuant to an ordinary resolution passed by the Shareholders (the "2012 Share Option Scheme"). On 13 May 2021, the Company granted a total of 23,900,000 share options with rights to subscribe for 23,900,000 shares of the Company and further granted a total of 16,360,000 share options on 16 June 2022 with rights to subscribe for 16,360,000 shares of the Company.

Purpose of the 2012 Share option scheme

The purpose of the 2012 Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The 2012 Share Option Scheme provides the participants with the opportunity to acquire proprietary interests in the Company and will encourage such participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

Participants of the 2012 Share Option Scheme

The 2012 Share Option Scheme also attracts and retains the best available personnel and to provide additional incentive to an employee, director (including executive director, non-executive director or independent non-executive director), consultant, professional adviser, customer, business partner, joint venture partner, strategic partner or any supplier or provider of goods or services to, the Group, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

The basis of eligibility of any participant to the grant of any share option shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group. The Board may, at its absolute discretion and on such terms as it may think fit and in accordance with the rules of the 2012 Share Option Scheme, grant share options under the 2012 Share Option Scheme to the eligible participants.

Total number of shares available for issue

The 2012 Share Option Scheme has expired on 1 August 2022 and no more share options may be granted under the 2012 Share Option Scheme during the Year. The outstanding share options under the 2012 Share Option Scheme would continue to be exercisable. During the Year, a total of 267,562 share options were lapsed. 3,835,213 share options are outstanding and so a total of 3,835,213 shares are available for issue, which represents 5.23% of the issued Shares as at the date of this report.

The scheme mandate limit of the 2012 Share Option Scheme was refreshed by way of ordinary resolution in the EGM held on 5 November 2021. Prior to the expiry of the 2012 Share Option Scheme, the Company was able to grant 34,314,132 share options under the 2012 Share Option Scheme under the refreshed mandate limit, being 10% of the total number of shares in issue on 5 November 2021.

Maximum entitlement of each participant under the 2012 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share options granted under the 2012 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share options) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

Period within which the option may be exercised by the grantee

The Company granted share options under the 2012 Share Option Scheme in 13 May 2021 and 16 June 2022. The exercise period for the respective share options granted was 10 years from the date of grant, from 13 May 2021 to 12 May 2031 and 16 June 2022 to 15 June 2032.

Vesting period of options granted

There is no vesting period with the share options granted on 13 May 2021 and 16 June 2022.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant.

Basis of determining the exercise price of options

The subscription price of a Share in respect of any particular share option granted under the 2012 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

Remaining life of the 2012 Share Option Scheme

The 2012 Share Option Scheme was valid and effective for a period of ten years from 2 August 2012 until its expiry on 1 August 2022. The outstanding share options granted under the 2012 Share Option Scheme remain valid until its expiry, being 10 years from the date of grant and being 12 May 2031 in respect of the share options granted in May 2021 and on 15 June 2032 in respect of the share options granted in June 2022.

During the Year, movements of the options which have been granted under the 2012 Share Option Scheme are set out below:

						Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2024
SUBSTANTIAL SHAREHOLDER											
ZHANG Rong	Substantial Shareholder	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	25,730	—	—	—	—	25,730
	Sub-total:					**25,730**	**–**	**–**	**–**	**–**	**25,730**
DIRECTOR											
WONG King Shiu, Daniel	Executive Director ("ED"), Chairman and Chief Executive Officer	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	343,000	—	—	—	—	343,000
WONG Hoi Kuen	Independent non-executive Director ("INED")	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	—	—	—	34,000
CHEN Shengrong	INED	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	—	—	—	34,000
FORMER DIRECTOR											
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	ED	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	267,374	—	—	—	—	267,374
		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	73,000	—	—	—	—	73,000
HUNG Hing Man *(Resigned on 1 August 2024)*	INED	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	(34,000)	—	—	—
	Sub-total:					**785,374**	**–**	**(34,000)**	**–**	**–**	**751,374**
EMPLOYEES											
Batch A[1]		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	268,492	—	(33,562)	—	—	234,930
Batch B[1]		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	184,588	—	—	—	—	184,588
Batch C[1]		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	1,246,255	—	—	—	—	1,246,255
Batch D[1]		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	245,000	—	(80,000)	—	—	165,000
Batch E[1]		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	430,000	—	(120,000)	—	—	310,000
Batch F[1]		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	343,000	—	—	—	—	343,000
	Sub-total:					**2,717,335**	**–**	**(233,562)**	**–**	**–**	**2,483,773**

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of share options: Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2024
CONSULTANTS											
WEI Qi	AI consultant	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	237,168	—	—	—	—	237,168
WEI Guokang	Data center construction Consultant	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	237,168	—	—	—	—	237,168
HUANG Jiehuan	Consultant (Algorithm)	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	100,000	—	—	—	—	100,000
	Sub-total:					**574,336**	**–**	**–**	**–**	**–**	**574,336**
	TOTAL:					**4,102,775**	**–**	**(267,562)**	**–**	**–**	**3,835,213**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	18 (7 of the 18 employees resigned and the options granted have been lapsed)
B	50,001 to 100,000	4 (1 of the 4 employees resigned and the options granted have been lapsed)
C	200,001 to 250,000	5
D	0 to 50,000	10 (4 of the 10 employees resigned and the options granted have been lapsed)
E	50,001 to 100,000	6 (1 of the employees was a grantee of Batch A and 2 of the 6 employees resigned and the options granted have been lapsed)
F	200,001 to 343,000	1

Note 2:

The number of outstanding share options and the exercise price were adjusted accordingly upon completion of rights issue on the basis of one rights share for every two existing shares on 11 April 2022 and completion of share consolidation of every ten issued and unissued existing shares be consolidated into one consolidated share on 5 December 2022.

Note 3:

The options have an exercise period of ten years from date of grant. They do not have any vesting period nor performance target.

Note 4:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 16 June 2022) was HK$0.140 (prior to completion of the share consolidation mentioned in Note 2 above).

2023 Share Option Scheme

The Company has adopted the 2023 Share Option Scheme with effect from 15 May 2023 (the "Adoption Date") pursuant to an ordinary resolution passed by the Shareholders. The Company is entitled to offer 6,176,523 share options under the scheme mandate and 617,652 share options under the service provider sublimit upon the adoption of the share option scheme. As at the date of this report, 1,568,000 share options have been granted under the 2023 Share Option Scheme. During the Year and as at the date of this report, the Company is entitled to offer up to a total of 4,608,523 share options under the scheme mandate, and 617,652 share options under the service provider sublimit.

Purpose and Participants of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to enable the Board to grant share options to (i) director(s) and employee(s) of the Company or any of its subsidiaries; (ii) directors and employees of holding companies, fellow subsidiaries or associate companies of the Company; and (iii) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group such as advisers, consultants, distributors, contractors, suppliers, agents and service providers of any subsidiary of the Group ("Service Providers" and collectively referred as the "Eligible Participants") as incentives or rewards for their contribution or potential contribution to the Group.

The Directors are of the view that the adoption of the 2023 Share Option Scheme aligns with the market practice of providing incentives to employee participants to work towards achieving the long-term objectives for the benefit of the Group as a whole.

The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate and take into account criteria based on the nature of the contributions made by the Eligible Participants before granting Share Option(s) to them.

Total number of share available for issue

Pursuant to an ordinary resolution passed by the Shareholders on 15 May 2023, the Company is entitled to issue a maximum of 6,176,523 Shares upon exercise of the share option to be granted under the scheme, representing 10% of the issued Shares on 15 May 2023.

The Company had granted 1,568,000 share options under the 2023 Share Option Scheme on 10 August 2023 to certain directors and employees of the Company at an exercise price of HK$3.42 per Share. During the Year, no options had been granted to service providers and the service provider sublimit has not been utilized.

As at the date of this report, 1,538,000 share options are outstanding and so 1,538,000 shares are available for issue, representing approximately 2.10% of the issued Shares.

Maximum entitlement of each participant under the 2023 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share option granted under the 2023 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share option) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share option in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

The Board has also set the service provider sublimit in respect of the total number of Shares which may be allotted and issued in respect of all share option to be granted to Service Providers under the 2023 Share Option Scheme to 1% of the total number of Shares in issue on the Adoption Date, being no more than 617,652 Shares.

Period within which the option may be exercised by grantee

The option granted under the 2023 Share Option Scheme shall be exercised in 10 years from the date of grant.

Vesting Period of the options granted

The vesting period of share options granted under the 2023 Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant no later than 30 days from the date of grant.

Basis of determining the exercise price of options granted

The exercise price of a Share in respect of any particular share option granted under the 2023 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine at the time of grant, save that such price will be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The remaining life of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

During the Year, movements of the options which have been granted under the 2023 Share Option Scheme are set out below:

						Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2024
DIRECTOR											
WONG King Shiu, Daniel	ED, Chairman and Chief Executive Officer	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	272,000	–	–	–	–	272,000
Hon. LI Sai Wing, *MH, JP*	Non-executive Director	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	200,000	–	–	–	–	200,000
FORMER DIRECTOR											
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	ED	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	274,000	–	–	–	–	274,000
	Sub-total:					**746,000**	**–**	**–**	**–**	**–**	**746,000**
EMPLOYEES											
Batch A[1]		3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	180,000	–	–	–	–	180,000
Batch B[1]		3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	612,000	–	–	–	–	612,000
	Sub-total:					**792,000**	**–**	**–**	**–**	**–**	**792,000**
	TOTAL:					**1,538,000**	**–**	**–**	**–**	**–**	**1,538,000**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	6 (1 of the 6 employees resigned and the options granted have been lapsed)
B	50,001 to 400,000	2

Note 2:

The options have an exercise period of ten years from date of grant. They have an exercise period from 10 August 2024 to 9 August 2033, both day inclusive. There is no performance target attached to the options.

Note 3:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 9 August 2023) was HK$3.42.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2024, the following interests of 5% or more 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 ordinary shares of the Company:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital *(approximately)* *(Note a)*
Mr. ZHANG Rong ("Mr. Zhang")	Beneficial owner	15,949,499 *(Registered shareholder)*	21.77%
		25,730 *(underlying interest)*	0.04%
	Through controlled corporation	3,134,800 *(Registered shareholder)* *(Note b)*	4.28%
JStage Technology Limited ("JStage Technology")	Beneficial owner	11,500,000 *(Registered shareholder)* *(Note c)*	15.70%
Mr. LAM Shu Chung ("Mr. Lam")	Beneficial owner	3,801,300 *(Registered shareholder)*	5.19%
Ms. CHOI Hing Lin Lori ("Ms. Choi")	Interest of Spouse *(Note d)*	3,801,300	5.19%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 73,265,237.

(b) The 3,134,800 Shares are held by Corporate Advisory Limited ("Corporate Advisory"), which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.

(c) The 11,500,000 Shares are held by JStage Technology, which is owned by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70% (as at the date of this report) respectively. Pursuant to Part XV of the SFO, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the SFO.

(d) Ms. Choi is the spouse of Mr. Lam, and therefore deemed to have an interest on the Shares in which Mr. Lam has, or deemed to have, an interest.

Save as disclosed above, as at 31 December 2024, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the standalone Environmental, Social and Governance Report.

Directors' Report

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

COMPETING BUSINESS

During the year ended 31 December 2024, none of the Directors and controlling shareholders of the Company nor their respective associated (as defined under the GEM Listing Rules) had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed.

RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group.

The Group maintains strong relationships with its employees and offers them with safe working environments, training and career development opportunities. The Group has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

DONATIONS

The Group did not make any charitable donations during the year ended 31 December 2024.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 37 to 56.

Directors' Report

AUDITORS

ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA"), retired as the auditor of the Company at the annual general meeting on 28 June 2024 and Prism Hong Kong Limited was appointed as the auditor of the Company on 28 June 2024 to fill the casual vacancy following the retirement of ZHONGHUI ANDA. Prism Hong Kong Limited shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

Save as disclosed above, there are no other changes in auditor in the preceding three years.

SUBSEQUENT EVENTS

Save as disclosed in this annual report, there are no other subsequent event.

ON BEHALF OF THE BOARD

Mr. Wong King Shiu, Daniel
Chairman and Chief Executive Officer

Hong Kong
27 March 2025

Corporate Governance Report

INTRODUCTION

The Board of the Company believes that corporate governance is essential to enhance the Group's value and accountability and has adopted various measures to adhere to a high standard of corporate governance to safeguard the interests of shareholders, clients, service vendors, employees and other stakeholders.

The Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "Code") for the year ended 31 December 2024, except for the following:

Code Provision C.2.1

Chairman and Chief Executive Officer

Code Provision C.2.1 stipulates the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong King Shiu, Daniel served as both the Chairman and the Chief Executive Officer during the year. Such practice deviates from code provision C.2.1 of the Code. The Board is of the opinion that it is appropriate and in the best interests of the Company for the same person to hold both positions as it helps maintain the continuity of the policies and the stability of the operations of the Company.

CULTURE AND VALUES

With the aim to provide advanced and high quality IT services to our clients, the Board strives to foster corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

Integrity and code of conduct

The Group endeavors to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee manual, the anti-corruption policy and the whistleblowing policy of the Group. The said policies had been available and sent to all staff for their reference. Regular updates and training are provided to reinforce the standard.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is important to nurture commitment with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Corporate Governance Report

BOARD OF DIRECTORS

Board Composition and its Responsibilities

The Board, which currently comprises eight Directors, including three executive Directors, and two non-executive Directors and three independent non-executive Directors. The Board is responsible for overseeing the corporate strategy and performance, annual and interim results, succession planning, internal control and risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters of the Company. The independent non-executive Directors are responsible for ensuring a high standard of internal control of the Company and financial and other mandatory reporting of the Board as well as to provide a balance in the Board in order to protect shareholders' interest and overall interest of the Group.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual, interim and quarterly accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of risk management and internal controls procedures, and compliance with relevant statutory requirements and rules and regulations.

All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director and non-executive Director (including the independent non-executive Director) has sufficient experience, knowledge and execution ability to hold the position so as to carry out his duties effectively and efficiently.

The composition of the Board, details of backgrounds and qualifications of all Directors are set out in the "Corporate Information" and "Biographical Information of Directors and Senior Management" sections of this annual report. The latest list of Directors setting out their roles and responsibilities is available and accessible at the websites of the Company (http://www.citd.com.hk) and the Stock Exchange (www.hkexnews.hk).

There was no financial, business, family or other material/relevant relationship among Directors.

Board Independence

The Company recognises that Board independence is crucial in good corporate governance and effectiveness of the Board. The Board has established mechanisms to ensure independent views and input from any Director of the Company are delivered to the Board for building an objective and effective decision.

The governance framework and the following mechanisms are reviewed annually by the Board, through its nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee") of the Company, in order to ensure the effectiveness:

1. Three out of the eight Directors are independent non-executive Directors, which meets the requirements of the GEM Listing Rules that the Board must have at least three independent non-executive Directors and must appoint independent non-executive Directors representing at least one-third of the Board.

2. The Nomination and Remuneration Committees will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive director before appointment and also the continued independence of existing independent non-executive Directors and their time commitments annually. On an annual basis, all independent non-executive Directors are required to confirm in writing their compliance of independence requirements pursuant to Rule 5.09 of the GEM Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.

3. The Nomination and Remuneration Committees will conduct the performance evaluation of the independent non-executive Directors annually to assess their contributions.

4. External independent professional advice is available as and when required by individual Directors.

5. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

6. A Director (including independent non-executive Director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same.

7. The Chairman of the Board meets with independent non-executive Director annually without the presence of the executive Directors and non-executive Directors.

8. The independent non-executive Directors of the Company who served the Company for more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders pursuant to the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the director's securities transactions (the "Code of Conduct") 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 made specific enquiry of all Directors regarding any non-compliance with the Code of Conduct during the year, and they all confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct throughout the year ended 31 December 2024.

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each Director receives comprehensive, formal and tailored induction on the first occasion of his appointment so as to ensure the he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development.

During the year, each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. During the year ended 31 December 2024, all Directors participated in continuing professional development regarding their duties and responsibilities as a director of a listed company which included reading newspapers, journals and updates and/or attending training courses and/or seminars relevant to the Group's businesses to their duties and responsibilities as directors of a listed company. The Directors were provided with monthly updates on the Group's business and financial matters. All Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

Directors' participation in continuous professional development for the year ended 31 December 2024 are set out in the table below:

	Participation in continuous professional development
Executive Directors	
Mr. Wong King Shiu, Daniel	√
Mr. Chu Joshua Allen Kiu Wah (appointed on 28 June 2024)	√
Mr. So Han Meng Julian (appointed on 1 November 2024)	√
Non-Executive Director	
Hon. Li Sai Wing, *MH, JP*	√
Ms. Leung Kar Ming, *MH* (appointed on 1 August 2024)	√
Independent Non-executive Directors	
Mr. Wong Hoi Kuen	√
Dr. Chen Shengrong	√
Mr. Chu Wun Chiu (appointed on 1 August 2024)	√

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Except for Mr. Wong King Shiu, Daniel, Mr. Wong Hoi Kuen and Dr. Chen Shengrong, all other Directors have entered into service contracts with the Company with a fixed term, yet all the Directors of the Company are subject to retirement and re-election at the forthcoming general meeting of the Company after his appointment and will also be subject to retirement by rotation and re-election in accordance with the Articles of Association and the Code.

BOARD MEETING

During the year of 2024, the board held totally 16 board meetings and 1 general meetings. The attendance of each Director are set out below:

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Executive Directors:		
Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*	16/16	1/1
Mr. Chu Joshua Allen Kiu Wah (appointed on 28 June 2024)	10/10	N/A
Mr. So Han Meng Julian (appointed on 1 November 2024)	1/1	N/A
Mr. Chang Ki Sum Clark (retired on 28 June 2024)	5/5	1/1
Non-Executive Director:		
Hon. Li Sai Wing, *MH, JP*	16/16	1/1
Ms. Leung Kar Ming, *MH* (appointed on 1 August 2024)	8/9	N/A

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Independent non-executive Directors:		
Mr. Wong Hoi Kuen	16/16	1/1
Dr. Chen Shengrong	16/16	1/1
Mr. Chu Wun Chiu (appointed on 1 August 2024)	9/9	N/A
Mr. Hung Hing Man (resigned on 1 August 2024)	7/7	1/1

During the Year, pursuant to Code Provision C.2.7 of the Code, the chairman held one meeting with the independent non-executive Directors without the presence of other Directors.

At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Board's procedures comply with the Articles of Association, as well as relevant rules and regulations. An agenda and accompanying board papers shall be sent, in full, to all Directors in a timely manner at least 3 days before the intended date of a board or board committee meeting unless otherwise agreed. The management shall supply the Board and board committees with complete and reliable adequate information, in a timely manner, to enable them to make informed decisions and fulfil their duties properly. The Board and each Director has separate and independent access to the issuer's senior management. Queries raised by Directors will be responded promptly and in a full way.

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

Board minutes of each Board meeting are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

NON-EXECUTIVE DIRECTORS

The Board fulfilled the requirement of appointing at least three independent non-executive directors and they represented at least one-third of the Board as stipulated by the GEM Listing Rules. It met the requirement of having at least one of the independent non-executive directors with appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have appropriate and sufficient experience and qualification to carry out their duties so as to fully represent the interests of the shareholders.

The Company has received from each independent non-executive Director an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The independent non-executive Directors have confirmed that they are independent.

Dr. Chen Shengrong has served the Company for more than 9 years. Pursuant to Code Provision B.2.3 of the Code, if an independent non-executive director has served for more than 9 years, her further appointment should be subject to a separate resolution to be approved by shareholders of the Company.

The Board is of the opinion that Dr. Chen Shengrong maintains her independence even she has served the Board for more than 9 years, and believes that her valuable knowledge and experience continue to generate significant contribution to the Board, the Company and the Shareholders as a whole. The Company and the Nomination Committee are in the process of identifying a new independent non-executive Director based on the candidates' experience and factors as required under the GEM Listing Rules. Further announcement(s) will be made by the Company in this regard as and when appropriate.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Mr. Wong Hoi Kuen and Dr. Chen Shengrong are not appointed for a specific term while Hon. Li Sai Wing, *MH, JP*, Ms. Leung Kar Ming, *MH* and Mr. Chu Wun Chiu are appointed with a term of three years. In accordance with the Articles of Association, all non-executive Directors (including the independent non-executive Directors) are subject to retirement by rotation and re-election by shareholders the annual general meetings of the Company.

INSURANCE ON DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate liabilities insurance for the Directors to cover their liabilities arising out of corporate activities. The insurance coverage is reviewed annually.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions, which include but not limited to the following duties:

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

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

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

(d) To develop, review and monitor the code of conduct applicable to employees and Directors; and

(e) To review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the year, the Board has reviewed and discharged the above corporate governance functions.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules.

During the Year, Mr. Hung Hing Man had resigned as member of the Remuneration Committee and Mr. Chu Wun Chiu has been appointed as a member of the Remuneration Committee with effect from 1 August 2024. As at the date of this report, members of the Remuneration Committee are Mr. Wong Hoi Kuen (Committee Chairman), Dr. Chen Shengrong and Mr. Chu Wun Chiu. All of the Remuneration Committee members are independent non-executive Directors.

Its main role and functions include but not limited to making recommendations of specific remuneration packages of all executive directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive directors and senior management of the Company. The Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

During the year of 2024, 4 Remuneration Committee meetings were held. The attendance of each member is set out below:

Name of Director	Attendance Number of meetings held
Mr. Wong Hoi Kuen *(Committee Chairman)*	4/4
Dr. Chen Shengrong	4/4
Mr. Chu Wun Chiu (appointed on 1 August 2024)	2/2
Mr. Hung Hing Man (resigned on 1 August 2024)	2/2

The works performed by the Remuneration Committee during the year include the following:

- reviewed matters relating to the 2023 share option scheme to directors and employees of the Company;
- reviewed and recommended the remuneration package of Mr. Chu Joshua Allen Kiu Wah regarding his appointment as executive Director with effect from 28 June 2024;
- reviewed and recommended the remuneration packages each of Ms. Leung Kar Ming, *MH* and Mr. Chu Wun Chiu regarding their appointments as Directors with effect from 1 August 2024;
- reviewed and recommended the remuneration package of Mr. So Han Meng Julian regarding his appointment as executive Director with effect from 1 November 2024;
- reviewed terms of reference of Remuneration Committee;
- reviewed and determined the policy for the remuneration of Directors and senior management;
- reviewed and recommended the remuneration package of the Directors and senior management; and
- reviewed and approved the terms of executive Directors' service contracts.

No Director nor any of his/her associates was involved in deciding his/her own remuneration.

For the year, the remuneration payable (including equity-settled share option expense) to a senior management (excluding Directors) fell within the band of HK$nil to HK$550,000.

During the year ended 31 December 2024, since there was no share option granted under the 2023 Share Option Scheme, no material matter relating to the share option scheme has been reviewed by the Remuneration Committee.

Further details of the remuneration of the Directors and the five highest paid individuals are set out in note 11 to the financial statements.

Corporate Governance Report

NOMINATION OF DIRECTORS

The Board is empowered under the Articles of Association to appoint any person as a director either to fill a casual vacancy or, subject to authorisation by the shareholders of the Company in general meeting, as an additional member of the Board. The Company has adopted the nomination policy (the "Nomination Policy") with effect from 1 January 2019. The Nomination Policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board of Directors. The criteria for recommending the suitable candidates for directorship include (i) reputation for integrity, (ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, (iii) willingness to devote adequate time to discharge duties as Board members and other directorships and significant commitments; (iv) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and (v) such other perspectives appropriate to the Company's business. These factors are for reference only, and not meant to be exhaustive and decisive. The nomination committee of the Company ("Nomination Committee") has the discretion to nominate and recommend any person, as it considers appropriate to the Board for further approval.

The Nomination Committee shall review and recommend to the Board on any revisions to the Nomination Policy to ensure its transparent and fair for the election or re-election process of directors, remains relevant to the Company needs and reflects the good corporate governance practice. The Nomination Committee will discuss any revisions that may be required, and recommend any such revision to the Board for consideration and approval.

BOARD DIVERSITY

The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the Board Diversity Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities.

The Company also takes into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board. Nomination Committee has considered measurable objectives based on four focus areas: gender, age, professional experience and ethnicity to implement the Board Diversity Policy. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness at least once annually. The Board Diversity Policy is available on the website of the Company for public information.

Measurable Objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives:

1. at least one third of the Directors shall be independent non-executive Directors;

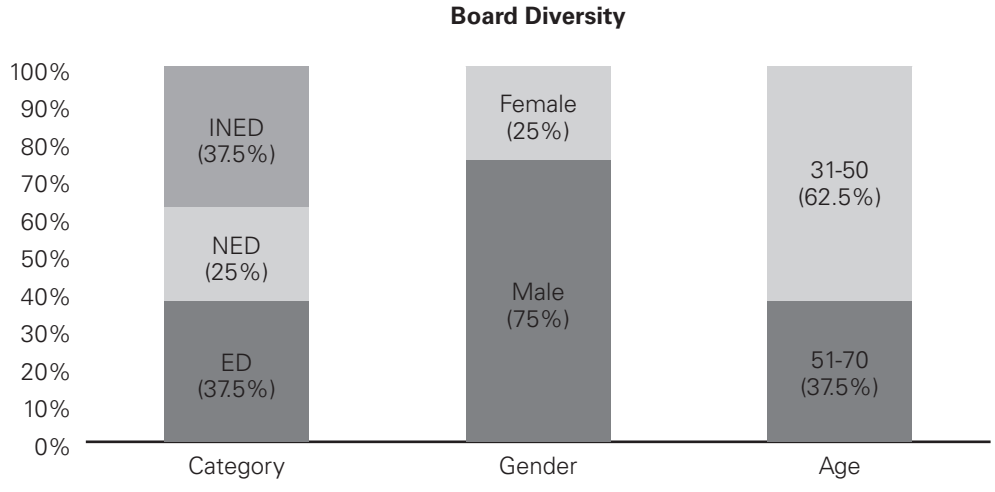
2. at least one Director is female; and

3. at least one Director shall have obtained accounting or other professional qualifications.

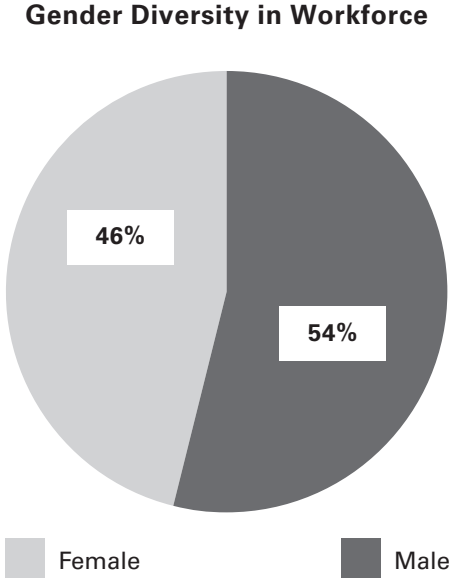
During the year ended 31 December 2024, all the measurable objectives have been fulfilled.

Progress:

The Board and the Nomination Committee believe that the diversity of the Board is sufficient given that there are Directors from different industries and with different experience, skills and knowledge. As at 31 December 2024, the analysis of the Board diversity is set out as follows:



During the year, in the IT industry which is traditionally short of female talents, the Group had managed to attract female talents and maintained a relatively balanced gender ratio as shown in the below chart:-



The Company shall continue to recruit more female talents and maintain gender diversity in workforce.

NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in compliance with Rule 5.36A and Code Provisions B.3.1 to B.3.4 of Appendix C1 of the GEM Listing Rules.

During the Year, Mr. Hung Hing Man had resigned as chairman and member of the Nomination Committee and Mr. Chu Wun Chiu has been appointed as a member of the Nomination Committee with effect from 1 August 2024. Mr. Wong Hoi Kuen has been redesignated as the chairman of Nomination Committee with effect from 1 August 2024. As at the date of this report, members of the Nomination Committee are Mr. Wong Hoi Kuen (Committee Chairman), Dr. Chen Shengrong and Mr. Chu Wun Chiu. All of the Nomination Committee members are independent non-executive Directors.

The Nomination Committee's role and functions include but not limited to reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive directors and making recommendations to the Board on the appointment, re-appointment and succession of directors.

During the year of 2024, 4 Nomination Committee meetings were held. The attendance of each member is set out below:

Name of Director	**Attendance/ Number of meetings held**
Mr. Wong Hoi Kuen *(Committee Chairman)* (redesignated as Chairman on 1 August 2024)	4/4
Dr. Chen Shengrong	4/4
Mr. Chu Wun Chiu (appointed on 1 August 2024)	2/2
Mr. Hung Hing Man (resigned on 1 August 2024)	2/2

The works performed by the Nomination Committee during the year include the following:

- made recommendation for the appointment of Mr. Chu Joshua Allen Kiu Wah as executive Director of the Company with effect on 28 June 2024;
- made recommendation for the appointment of Ms. Leung Kar Ming, *MH* as non-executive Director of the Company with effect on 1 August 2024;
- made recommendation for the appointment of Mr. Chu Wun Chiu as independent non-executive Director of the Company with effect on 1 August 2024;
- made recommendation for the appointment of Mr. So Han Meng Julian as executive Director of the Company with effect on 1 November 2024;
- reviewed the Board Diversity Policy;
- reviewed the structure, size and composition of the Board according to the board diversity objectives and the development of the Company and the market conditions;
- accessed the independence of independent non-executive Directors;
- made recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company; and
- reviewed the terms of reference of Nomination Committee.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

During the Year, Mr. Hung Hing Man had resigned as chairman and member of the Audit Committee and Mr. Chu Wun Chiu has been appointed as a member of the Audit Committee with effect from 1 August 2024. Mr. Wong Hoi Kuen has been redesignated as the chairman of Audit Committee with effect from 1 August 2024. As at the date of this report, members of the Audit Committee are Mr. Wong Hoi Kuen (Committee Chairman), Dr. Chen Shengrong and Mr. Chu Wun Chiu. None of them is a member of the former or existing auditors of the Company. All of the Audit Committee members are independent non-executive Directors.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company's financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group's external auditor. The Audit Committee had reviewed this annual report and confirmed that it complies with the applicable standard, the GEM Listing Rules and other applicable legal requirements and the adequate disclosures have been made. There is no disagreement between the members of the Audit Committee regarding the selection and appointment of external auditors.

During the year of 2024, 3 Audit Committee meetings were held. The attendance of each member is set out below:

Name of Director	Attendance/ Number of meetings held
Mr. Wong Hoi Kuen *(Committee Chairman)* (redesignated as Chairman on 1 August 2024)	3/3
Dr. Chen Shengrong	3/3
Mr. Chu Wun Chiu (appointed on 1 August 2024)	1/1
Mr. Hung Hing Man (resigned on 1 August 2024)	2/2

The works performed by the Audit Committee during the year include the following:

- reviewed the annual report and the annual results announcement of the Company for the year ended 31 December 2023;
- reviewed the interim report and the interim results announcement of the Company for the six months ended 30 June 2024;
- reviewed and discussed with the management the risk management and internal control systems of the Group based on the reports provided by the independent internal control adviser;
- reviewed and discussed with the management the effectiveness of the internal audit of the Company;
- reviewed and discussed with the management the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions;
- reviewed the terms of reference of Audit Committee;
- developed and reviewed the code of conduct and the manuals applicable to employees and Directors;
- recommended to the Board, for approval by shareholders of the Company, the appointment of auditors of the Company; and
- discussed with the auditors about the audit plan and other audit issues of the Group.

Corporate Governance Report

FINANCIAL REPORTING

With the assistance of the accounting department and the sufficient explanation and information provided by the management of the Company, the Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2024 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review. The Directors consider that the financial statements have been prepared in conformity with the statutory requirements including the Hong Kong Companies Ordinances and the Listing Rules and the applicable accounting standards including the International Financial Reporting Standards, Hong Kong Financial Reporting Standards. These statutory requirements and applicable accounting standards have been consistently used and applied and reasonable judgements and estimates are properly made. The Board aims to present a clear and balanced assessments of the Group's performance in the annual, interim and quarterly reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

The Directors' responsibilities for the consolidated financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 57 and 63.

During the year of 2024, the Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

During the year ended 31 December 2024, Prism Hong Kong Limited ("Prism") was engaged as the auditor of the Company on 28 June 2024, the remuneration paid or payable to Prism in respect of the audit and non-audit services were as follows:

Services rendered	**Fees paid/ payable** (HK$'000)
Audit services	800
Non-audit services	0

During the Year, ZHONGHUI ANDA CPA Limited, the former auditor of the Company who retired on 28 June 2024, provided the following services to the Group:

Services rendered	**Fees paid/ payable** (HK$'000)
Audit services	0
Non-audit services	0

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares was held by the public.

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations, to safeguard the shareholders' investment and the Group's assets and to ensure strict compliance with relevant laws, rules and regulations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems and reporting to the Board. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness.

Our risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has formulated and adopted risk management policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the senior management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group and in performing the internal audit functions for the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the GEM Listing Rules.

Risk Management Process

In addition to the Board's oversight responsibilities, the Company has developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. Senior management of the Group is responsible for the annual risk reporting process. Independent professional advisor meets with members of the senior management to review and assess risks and discuss solutions to address material internal control defects, including any changes relevant to a given year. Risks are compiled, ratings are assigned and mitigation plans are documented. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review.

Risks are evaluated by the Board and the Group's senior management based on (i) the severity of the impact of the risk on the Company's business operation and financial results; and (ii) the probability that the risk will occur.

Based on the risk evaluation, the Company will manage the risks as follows:

– Risk elimination – the Group's senior management may identify and implement certain changes or controls that in effect eliminate the risk entirely.

– Risk mitigation – the Group's senior management may implement a risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level.

– Risk retention – the Group's senior management may decide that the risk rating is low enough that the risk is acceptable for the Company and that no action is required. The risk would continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

Significant Risks of the Company

Certain significant risks identified during the reporting period and the relevant risk mitigation plans are shown as below:

1. Market competition and innovation risk

The Internet and technology industries are highly competitive with rapid product updates and replacements, and the development of AI-related technologies is progressing rapidly. The development of technologies brings evolutional changes to the existing business models and brings in more new players into the market. The existing market competition landscape may face major changes. Therefore, how to promote innovative and sustainable social values through innovation in technology, product and business model is one of the key challenges of the Company.

The Company attaches great importance to innovation and stays on top of the developments of the industry and user needs, keeps up with the technological development through innovation in frontier technology, and constantly improves the Company's products and services. By attracting and cultivating key talents and increasing investment in scientific research, the Company continuously improves its technology and innovation abilities and brings more cutting-edge technological benefits to the Company's business and products. The Company also continuously optimizes its resource allocation, enhances its core products and business, strengthens its product development and technical capabilities, explores innovative business models, develops products that meet the expectations of both domestic and international markets, continuously improves user experience, promotes sustainable and high-quality development of its businesses and increases its market competitiveness. The Company collaborates with its partners to jointly innovate, enhance service capabilities, and support the ecosystem in order to achieve product service growth and continuous iterative innovation, and create value for users and the society.

2. Global macroeconomic risks

The uncertainty of the global economic trend leads to changes in global markets. In the face of global economic changes, the Company adjusts its business development strategy accordingly, actively seeks and expands business development opportunities, and creates value for its shareholders. The Company also continuously improves its operational efficiency to confront uncertainties arising from the external environment.

3. Regulatory and compliance risk

As the Company continuously expands its businesses, the Company must abide by and comply with the relevant applicable laws and regulations in different jurisdictions, including but not limited to laws and regulations relating to privacy and data protection and labour protection and continue to pay attention to changes in industry laws and regulations. In addition, changes in international circumstances may affect the development of global policies and regulations and impact the development of various industries across different regions. The Company has taken practical steps to devote substantial resources in various areas to ensure the Company's compliance with regulatory requirements. The Company has engaged external professional consultants, kept abreast of the changes to relevant laws and regulations, adjusted strategies accordingly, taken appropriate actions or measures, improved internal training and the understanding of the laws and regulations, and enhanced the corresponding management system and policies to ensure that the Company is in compliance with such applicable laws and regulations.

Principal Risks, Internal Control Deficiencies and Remedial Measures Implemented

The management of the Company has reviewed the Company's risk management and internal control system. The review covers the overall management control, sales, receipts and receivables and human resource and payroll and compliance management of the Group. It was identified that for certain projects, budgeted staff cost should be reviewed periodically and performance measurement should be put in place. A timesheet system should be in place for staff to fill in timesheets to calculate their actual time spent on a project, so that the actual staff cost can be complied for performance review and profit analysis. It will also assist the Group to produce more accurate budgets and provide more accurate information for the sales department to set the sale price.

Further, in view of the Audit Qualification and taking into account the reasons for the Audit Qualification set out in the section headed "Details of the basis of the Audit Qualification" in the Management Discussion and Analysis section of this annual report, the Company will only, to the extent possible, be engaged in projects that the Company has the capacity and technical capability to provide the required services and avoid being engaged in subcontract arrangement. For future projects of the Company of over HK$2million, the relevant business unit will be required to have detail planning from the negotiation stage, such as budgeting, manpower analysis, records of correspondence with counter parties and to provide progress reports to the directors of the Company on regular basis.

As stated in the annual report for the year ended 31 December 2023, the Company had implemented some remedial actions to prevent the Audit Qualification and internal control deficiencies from occurring. During the Year, the Company has continued to follow the measures to ensure the applicable GEM Listing Rules requirements will be complied with going forwards. The measures included but not limited to arranging training for employees including Directors, the senior management, the business operation and financial departments etc to strengthen their knowledge with the GEM Listing Rules; providing details guidelines on notifiable transactions and other updates for all Directors and senior management to reinforce their knowledge; maintaining a reporting guideline such that the staff should evaluate the proposed transactions and report to the relevant personnel and/or advance to entity and/or in case they are in doubt prior to the entering into of those transactions. The above measures shall also be implemented at subsidiary level and the Company shall seek advice from external professional advisers with respect to continual compliance with the GEM Listing Rules.

Save as disclosed above, the Board considers the Group's risk management and internal control systems were effective during the year. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") in June 2022. The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2024 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "Anti-corruption Policy") in June 2022. The Group is committed to achieving the high standards of integrity and ethical behaviour in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

COMPANY SECRETARY

As at 31 December 2024, the Company Secretary of the Company, Ms. Lam Mei Wai Michelle, fulfilled the requirement under Rules 5.14 and 5.15 of the GEM Listing Rules. As an employee of the Company, the Company Secretary supports and reports directly to the Chairman of Board, ensures good information flow within the Board and the board committees while board policies and procedures are followed; advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of directors. She has attained not less than fifteen hours of relevant professional training during the year. Her biography is set out in the "Biographical Information of Directors and Senior Management" section of this annual report.

The Board approves the selection, appointment or dismissal of the secretary in board meetings. All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

INSIDE INFORMATION

Guidelines are provided to the Directors, management and relevant staff (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The procedures include, among others, regularly remind the Directors, management and relevant staff about the compliance with the securities dealing restrictions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules and the notification of the blackout period applicable to the publication of the annual, interim and quarterly results of the Company respectively.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

DIVIDEND POLICY

The dividend policy of the Company has been adopted on 31 December 2018 which sets out the factors in determination of dividend payment of the Company (the "Dividend Policy").

Under the Dividend Policy, the declaration and payment of dividends shall be in accordance with the applicable laws and the relevant provisions of articles of association of the Company effective from time to time.

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, the Group's earnings, reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Company in their long-term development, the financial conditions, business plan, future operations and earnings, capital requirement and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Group's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

The Company will continually review the Dividend Policy as appropriate from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

SHAREHOLDERS' RIGHTS

In accordance with the Company's Article 58, any shareholder or shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

Shareholders may put forward their enquiries about the Company to the Board or the Company Secretary at the Company's head office in Hong Kong.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board is committed to maintaining a high degree of corporate transparency, as well as establishing a policy of open communication with shareholders having the aim to ensure shareholders be provided with information about the Company and enable them to engage actively with the Company and to exercise their rights.

The Company communicates with shareholders and investors through various channels including Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, for enquiries of shareholding, the Company Secretary of the Company for direct enquiries and publication of quarterly, interim and annual reports, announcements, circulars and other corporate information available on the websites of the Stock Exchange and/or the Company.

The Company's general meeting provides valuable opportunities for the Board to have face-to-face communication with the shareholders. The Company encourages the participation of the shareholders through annual general meeting and other general meetings where the shareholders exchange views with the Board, and to exercise their rights to vote at meetings.

The Board has reviewed the implementation and effectiveness of the Communication Policy with Shareholders including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Communication Policy with Shareholders has been properly implemented during the year under review and is effective.

During the Year, there was no significant change in the Company's constitutional documents which is available on the websites of the Company and the Stock Exchange.

We welcome shareholders and potential investors to visit the Company's website at www.citd.com.hk to obtain up-to-date information regarding the Company.

ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Independent Auditor's Report

To the shareholders of
China Information Technology Development Limited
(Incorporated in the Cayman Islands with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of China Information Technology Development Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 64 to 166, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

The Group entered into technical knowhow license and servicing agreements with two customers to provide technical knowhow and related services with contract sum of United States Dollar ("USD") 87 million and service period of 3 years. During the year ended 31 December 2023, the Group received advances in the form of cryptocurrency amounting to Tether ("USDT") 12,028,000 and Binance USD ("BUSD") 62,000 (equivalent to approximately HK$94,299,000) from these two customers. The Group also engaged a service provider for the development of such technical knowhow and deposited to the service provider in the form of cryptocurrency amounting to USDT12,028,000 and BUSD62,000 (equivalent to approximately HK$94,299,000).

Basis for Qualified Opinion *(Continued)*

During the year ended 31 December 2023, a certain portion of the services were provided and delivered to the customers. The revenue of USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (USDT12,028,000 and BUSD62,000) were recorded on a net basis and recorded as "income from agency services" since management considered the Group is an agency in these transactions.

In November 2023, the management of the Group has decided to terminate these technical knowhow license and servicing agreements.

The Group has not maintained sufficient documentations on the above transactions. We were unable to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the above transactions. Any adjustment to this figure might have a consequential effect on the consolidated financial performance for the year ended 31 December 2023.

There were no alternative audit procedures that could satisfy ourselves the consolidated statement of profit or loss for the year ended 31 December 2023 were properly stated. We were unable to determine whether adjustments to the consolidated statement of profit or loss for the year ended 31 December 2023 might be necessary. Our opinion on the current year's consolidated financial statements is modified because of the possible effect of these matters on the comparability of the current year's corresponding figures and disclosures.

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 Company 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 qualified opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor whose report dated 25 March 2024 expressed an qualified opinion on those statements.

Independent Auditor's Report

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Investment properties

Refer to Note 16 to the consolidated financial statements and the accounting policies on pages 89 to 90.

The key audit matter

The Group measured its investment properties at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the carrying amount of investment properties of approximately HK$216,035,000 as at 31 December 2024 and change in fair value of investment properties of approximately HK$20,617,000 for the year ended 31 December 2024 are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Independent valuer was engaged by the management of the Group for the fair value determination of investment properties as at 31 December 2024.

How the matter was addressed in our audit

Our audit procedures in relation to management's fair value assessment on investment properties included the following:

- Examining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Assessing the competence, independence and integrity of the external valuer engaged by the Group;
- Evaluating key assumptions and input data in the valuation model to market data;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

Key audit matters *(Continued)*

Impairment assessment of trade receivables, deposits and other receivables

Refer to Notes 22 and 25 to the consolidated financial statements and the accounting policies on pages 91 to 98.

The key audit matter

The Group has trade receivables of approximately HK$18,938,000, and deposits and other receivables amounting to approximately HK$36,323,000, net of loss allowance for trade receivables, deposits and other receivables of approximately HK$987,000 as at 31 December 2024.

The loss allowance is estimated by taking into account the credit loss experience, ageing analysis of these assets, evaluation of collectability and financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

How the matter was addressed in our audit

Our audit procedures in relation to management's impairment assessment on trade, deposits and other receivables included the following:

- Reviewing the Group's credit policy and provision policy for determining loss allowance in respect of trade, deposits and other receivables;
- Examining the valuation report from management expert for the assessment of the fair value of the provision for impairment of trade, deposits and other receivables;
- Assessing the competence, capabilities, qualifications, and objectives of the management and management expert; and
- Reviewing the assessment of ECL model and challenging the reasonableness of the methods and assumptions used to estimate ECL.

Independent Auditor's Report

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 all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors of the Company and Audit Committee 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 Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit committee are responsible 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 section 405 of the Hong Kong Companies Ordinance and 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.

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*(Continued)*

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

We also provide audit committee 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 audit committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Dai Tin Yau.

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising Certificate Number: P06318

Hong Kong
27 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Continuing operations			
Revenue	*7*	**41,485**	49,228
Cost of sales and services		**(19,087)**	(26,660)
Gross profit		**22,398**	22,568
Other income and gains	*8*	**1,031**	3,472
Selling and distribution expenses		**(1,580)**	(8,990)
Administrative expenses		**(34,076)**	(38,979)
Gain on initial recognition of bond	*34*	**–**	3,826
Gain on disposal of a subsidiary	*37*	**–**	7,156
Impairment loss under expected credit losses model		**(987)**	–
Equity-settled share-based payment expenses	*36*	**(1,764)**	(931)
Fair value (loss)/gain on investments at fair value through profit or loss		**(202)**	29
Change in fair value of investment properties		**(20,617)**	(5,536)
Finance costs	*9*	**(2,578)**	(5,589)
LOSS BEFORE TAX	*10*	**(38,375)**	(22,974)
Income tax (expense)/credit	*12*	**(8)**	80
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(38,383)**	(22,894)
Discontinued operation			
Loss for the year from discontinued operation	*14*	**–**	(1,879)
LOSS FOR THE YEAR		**(38,383)**	(24,773)

Consolidated Statement of Profit or Loss *(Continued)*

For the year ended 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
Attributable to:			
Owners of the Company			
Loss from continuing operations		**(37,634)**	(20,876)
Loss from discontinued operation		**-**	(1,879)
Loss attributable to owners of the Company		**(37,634)**	(22,755)
Non-controlling interests			
Loss attributable to non-controlling interests		**(749)**	(2,018)
		(38,383)	(24,773)
LOSS PER SHARE	*15*		
From continuing and discontinued operations			
– basic		**HK(56) cents**	HK(38.6) cents
– diluted		**HK(56) cents**	HK(38.6) cents
From continuing operations			
– basic		**HK(56) cents**	HK(35.4) cents
– diluted		**HK(56) cents**	HK(35.4) cents
From discontinued operation			
– basic		**N/A**	HK(3.2) cents
– diluted		**N/A**	HK(3.2) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
LOSS FOR THE YEAR	**(38,383)**	(24,773)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	**(5,410)**	(5,377)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	**-**	(385)
Items that will not be reclassified to profit or loss:		
Change in fair value of equity investments at fair value through other comprehensive income	**10,694**	(6,953)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF INCOME TAX	**5,284**	(12,715)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(33,099)**	(37,488)
Attributable to:		
Owners of the Company	**(32,387)**	(35,499)
Non-controlling interests	**(712)**	(1,989)
	(33,099)	(37,488)

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Investment properties	*16*	**216,035**	244,259
Investment in joint ventures	*40*	**–**	–
Property, plant and equipment	*17*	**565**	1,052
Goodwill	*18*	**19,556**	6,504
Right-of-use assets	*19*	**1,500**	2,938
Other intangible assets	*20*	**1,689**	2,555
Equity investments at fair value through other comprehensive income	*21*	**21,590**	10,900
Prepayments, deposits and other receivables	*22*	**587**	1,202
Deferred tax assets	*23*	**5,620**	5,522
Total non-current assets		**267,142**	274,932
CURRENT ASSETS			
Inventories	*24*	**251**	121
Trade receivables	*25*	**18,938**	15,584
Prepayments, deposits and other receivables	*22*	**35,882**	47,094
Investments at fair value through profit or loss	*26*	**320**	558
Bank and cash balances	*27*	**5,371**	11,595
Total current assets		**60,762**	74,952
CURRENT LIABILITIES			
Trade payables	*28*	**2,987**	3,455
Contract liabilities	*29*	**2,179**	1,566
Other payables and accruals	*30*	**14,990**	15,825
Bank and other loans	*31*	**35,651**	43,498
Lease liabilities	*33*	**1,365**	2,219
Tax payable		**141**	–
Total current liabilities		**57,313**	66,563
NET CURRENT ASSETS		**3,449**	8,389
TOTAL ASSETS LESS CURRENT LIABILITIES		**270,591**	283,321

Consolidated Statement of Financial Position *(Continued)*

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT LIABILITIES			
Bonds	*34*	**4,816**	4,547
Lease liabilities	*33*	**185**	811
Bank and other loans	*31*	**20,273**	16,988
Deferred tax liabilities	*23*	**133**	35
Contract liabilities	*29*	**184**	–
Total non-current liabilities		**25,591**	22,381
NET ASSETS		**245,000**	260,940
CAPITAL AND RESERVES			
Share capital	*35*	**7,327**	6,177
Reserves	*39*	**248,204**	264,582
Equity attributable to owners of the Company		**255,531**	270,759
Non-controlling interests		**(10,531)**	(9,819)
TOTAL EQUITY		**245,000**	260,940

The consolidated financial statements on pages 64 to 166 were approved and authorised for issue by the board of directors on 27 March 2025 and are signed on its behalf by:

Wong King Shiu, Daniel
Director

Chu Joshua Allen Kiu Wah
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company								
	Share Capital HK$'000	**Share premium** HK$'000 *(Note 39(a)(i))*	**Share-based payment reserve** HK$'000 *(Note 39(a)(iii))*	**Foreign currency translation reserve** HK$'000 *(Note 39(a)(ii))*	**Investment revaluation reserve** HK$'000 *(Note 39(a)(iv))*	**Retained earnings** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
At 1 January 2023	5,147	158,186*	4,064*	(7,607)*	17,308*	106,923*	284,021	(7,830)	276,191
Loss for the year	–	–	–	–	–	(22,755)	(22,755)	(2,018)	(24,773)
Other comprehensive (loss)/income for the year:									
– Exchange differences reclassified to profit or loss on disposal of subsidiaries	–	–	–	(385)	–	–	(385)	–	(385)
– Exchange differences on translation of foreign operations	–	–	–	(5,406)	–	–	(5,406)	29	(5,377)
– Change in fair value of equity investments at fair value through other comprehensive income	–	–	–	–	(6,953)	–	(6,953)	–	(6,953)
Total comprehensive loss for the year	–	–	–	(5,791)	(6,953)	(22,755)	(35,499)	(1,989)	(37,488)
Disposal of subsidiaries	–	–	–	–	(13,457)	13,457	–	–	–
Issue of shares under placing, net of shares issue costs (note 36)	765	13,540	–	–	–	–	14,305	–	14,305
Issue of shares under share swap (note 35)	265	6,736	–	–	–	–	7,001	–	7,001
Forfeitures of share options	–	–	(181)	–	–	181	–	–	–
Equity-settled share-based payment (note 36)	–	–	931	–	–	–	931	–	931
At 31 December 2023 and 1 January 2024	6,177	178,462*	4,814*	(13,398)*	(3,102)*	97,806*	270,759	(9,819)	260,940
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(37,634)**	**(37,634)**	**(749)**	**(38,383)**
Other comprehensive (loss)/income for the year:									
– Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(5,447)**	**–**	**–**	**(5,447)**	**37**	**(5,410)**
– Change in fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**10,694**	**–**	**10,694**	**–**	**10,694**
Total comprehensive loss for the year	**–**	**–**	**–**	**(5,447)**	**10,694**	**(37,634)**	**(32,387)**	**(712)**	**(33,099)**
Issue of shares under placing (note 35)	**1,150**	**14,375**	**–**	**–**	**–**	**–**	**15,525**	**–**	**15,525**
Transaction costs attributable to issue of share under placing	**–**	**(130)**	**–**	**–**	**–**	**–**	**(130)**	**–**	**(130)**
Forfeitures of share options	**–**	**-**	**(205)**	**–**	**–**	**205**	**–**	**–**	**-**
Disposal of equity investments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**6,997**	**(6,997)**	**–**	**–**	**-**
Equity-settled share-based payment (note 36)	**–**	**–**	**1,764**	**–**	**–**	**–**	**1,764**	**–**	**1,764**
At 31 December 2024	**7,327**	**192,707***	**6,373***	**(18,845)***	**14,589***	**53,380***	**255,531**	**(10,531)**	**245,000**

* These reserve accounts comprise the consolidated reserve of approximately HK$248,204,000 (2023: approximately HK$264,582,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	**(38,375)**	(22,974)
Loss before tax from discontinued operation	**-**	(1,604)
Loss before tax	**(38,375)**	(24,578)
Adjustments for:		
Impairment losses under expected credit loss model	**987**	–
Equity-settled share-base payment expenses	**1,764**	931
Finance costs	**2,578**	5,592
Bank and other interest income	**(16)**	(2,563)
Change in fair value of investment properties	**20,617**	5,536
Fair value change on investments at fair value through profit or loss	**202**	(29)
Depreciation of property, plant and equipment	**443**	746
Depreciation of right-of-use assets	**2,384**	2,454
Amortisation of intangible assets	**866**	866
Written-off of property, plant and equipment	**–**	13
Loss/(gain) on disposal of property, plant and equipment	**70**	(80)
Gain on initial recognition of bond	**–**	(3,826)
Gain on disposal of a subsidiary	**–**	(7,156)
Loss on disposal of discontinued operation	**–**	4,308
Operating loss before working capital change	**(8,480)**	(17,786)
Increase in inventories	**(130)**	(66)
(Increase)/decrease in trade receivables	**(1,587)**	2,814
Decrease in loan receivables	**–**	1,746
Decrease in prepayments, deposits and other receivables	**11,601**	20,304
Decrease investments at fair value through profit or loss	**–**	865
Decrease in trade payables	**(468)**	(6,847)
(Decrease)/increase in other payables and accruals	**(1,594)**	1,560
Increase/(decrease) in contract liabilities	**797**	(19,736)
Cash from/(used in) operations	**139**	(17,146)
Tax paid	**(9)**	(14)
Net cash generated from/(used in) operating activities	**130**	(17,160)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(39)**	(638)
Proceeds from disposal of property, plant and equipment		**9**	80
Bank interest received		**16**	31
Proceeds of disposal of subsidiaries		**–**	6,556
Proceeds from disposal of equity investments at fair value through other comprehensive income		**4**	–
Proceeds from disposal of equity investments at fair value through profit or loss		**36**	–
Net cash inflow arising on acquisition of a subsidiary	37c	**103**	–
Net cash generated from investing activities		**129**	6,029
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance from independent third parties		**3,917**	4,247
Repayment of principal of lease liabilities		**(2,424)**	(2,400)
Lease interest paid		**(112)**	(208)
Proceeds from issue of shares (net of expenses on issue of shares)		**–**	14,305
Proceeds from issue of bond		**–**	8,252
Expenses in issuance of shares under placing		**(130)**	–
Repayment of amount advance from a director		**–**	(700)
Repayment of amount advance from a shareholder		**–**	(3,000)
Loan interest paid		**(1,454)**	(2,237)
Repayment of bank and other loans		**(8,003)**	(9,049)
Net cash (used in)/generated from financing activities		**(8,206)**	9,210
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(7,947)**	(1,921)
Cash and cash equivalents at beginning of year		**11,595**	13,877
Effect of foreign exchange rate changes		**1,723**	(361)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**5,371**	11,595
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances other than time deposits		**5,371**	11,595

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Company and its subsidiaries (collectively the "Group") were principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

Application of amendments to HKFRSs

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
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 periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") *(Continued)*

New and amendments to HKFRSs issued but not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

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

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances (please specify), appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries *(Continued)*

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude bank and cash balances, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisition of businesses are accounted for using the acquisition method, except for business combination under common control. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Business combinations or asset acquisitions *(Continued)*

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits, respectively;

- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard, and

- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Business combinations or asset acquisitions *(Continued)*

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at each reporting date, and changes in fair value are recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts recognised at the acquisition date are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Goodwill *(Continued)*

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill relating to an associate or a joint venture is set out in "investments in associates and joint ventures" below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method, except for the investments classified as held for sale in which case it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates and joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

If an associate or a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's accounting policies conform to those of the Group when the associate's or joint venture's financial statements are used by the Group in applying the equity method.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investments in associates and joint ventures *(Continued)*

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the net investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of interests in the associate or joint venture that are unrelated to the Group. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investments in associates and joint ventures *(Continued)*

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. In applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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

Other revenue

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract or modification date or acquisition date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee (Continued)

Lease liabilities *(Continued)*

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee (Continued)

Right-of-use assets *(Continued)*

Except for the right-of-use assets classified as investment properties and measured under fair value model, right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line in the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment property".

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. 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 of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component.

Rental income from operating leases is recognised 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 recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the 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 at 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 arising on the settlement of monetary items, and on the retranslation of 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. HK$) 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 the 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 foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Foreign currency translation *(Continued)*

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint arrangement that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), 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. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs and termination benefits

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Long service payments

The Group's net obligation in respect of Long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Retirement benefits costs and termination benefits *(Continued)*

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 difference 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 goodwill or 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax 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 property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Property, plant and equipment *(Continued)*

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment 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.

Leasehold improvements	Over the lease terms or 5 years, whichever is shorter
Furniture, fixtures and equipment	18% – 30%
Motor vehicles	10% – 20%

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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties recognised by the Group as right-of-use asset and sub-leased out under operating lease.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investment properties *(Continued)*

If an item of property, plant and equipment becomes an investment property when there is a change in use, as supported by observable evidence, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. The properties revaluation reserve in respect of that item will be transferred directly to retained earnings when it is derecognised.

If an investment property becomes an owner-occupied property when there is a change in use, as supported by observable evidence, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an item of property, plant and equipment.

If an investment property becomes an property under development for sale in the ordinary course of business when there is a change in use, as supported by observable evidence, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an property under development.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Customer relationships

Customer relationships are stated at cost less any accumulated impairment losses and are amortised on the straight-line basis over their estimated useful life of 10 years. Impairment is reviewed when there is any indication that the customer relationships have suffered an impairment loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price less the estimated costs of completion and costs necessary to make the sale.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Cash and cash equivalents

In the consolidated statement of financial position, bank and cash balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) *(Continued)*

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Bank and other interest income" line item.

Financial assets at FVTOCI (debt instruments)

The Group's debt instruments are classified and measured subsequently at FVTOCI if both of the following conditions are met:

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

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

Debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debts instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Equity instruments designated as at FVTOCI *(Continued)*

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will continue to be held in investment revaluation reserve.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income and gains' line item in profit or loss.

Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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 includes any dividend or interest earned on the financial asset and is included in the 'Fair value (loss)/ gain on investments at fair value through profit or loss' line item. Fair value is determined in the manner described in note 26.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument 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 since initial recognition:

- 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 for a particular debtor, 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;
- significant increases in credit risk on other financial instruments of the same 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Significant increase in credit risk *(Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).
- Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses 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. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Measurement and recognition of expected credit losses *(Continued)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition 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 retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Classification as debt or equity *(Continued)*

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Financial liabilities *(Continued)*

Modification of financial liabilities

A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Provisions

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

Provisions are measured at 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).

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Share-based payments *(Continued)*

Equity-settled share-based payment transactions (Continued)

Share options granted to employees *(Continued)*

When share options are exercised, the amount previously recognised in share options reserve will be transferred to 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 options reserve will continue to be held in share options reserve/will be transferred to retained earnings.

Share options granted to non-employees

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Impairment on property, plant and equipment, right-of-use assets, and intangible assets *(Continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of property, plant and equipment, right-of-use assets and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Fair value measurement *(Continued)*

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS

Key sources of estimation uncertainty

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

(a) Fair values of investment properties

The directors of the Company appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to the estimates used in valuation would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

(b) Provision for impairment of trade, deposits and other receivables

The impairment assessment of trade, deposits and other receivables of the Group is based on the evaluation of collectability and ageing analysis of these assets as well as other quantitative and qualitative information and calculated the lifetime ECLs based on credit loss experience, and on management's judgement and assessment of the forward looking information. Significant judgement and estimates are required in assessing the ultimate realisation of these assets, based on the current creditworthiness, the past collection history and subsequent settlements of each customer. If the financial conditions of customers of the Group deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(c) Impairment of non-financial assets (other than goodwill)

The directors of the Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing for the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Changing the assumptions and estimations, including the discount rate could materially affect the recoverable amounts.

(d) Income taxes

The directors of the Company is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate and growth rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(f) Deferred tax assets

As at 31 December 2024, a deferred tax asset of approximately HK$5,767,000 (2023: approximately HK$5,910,000) in relation to unused tax losses has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK$206,059,000 (2023: approximately HK$194,805,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Significant increase in credit risk

As explained in note 3, the Group measures the loss allowance equal to 12-month ECL for financial assets other than trade receivables, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5. FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

	2024	2023
	HK$'000	HK$'000
Financial assets:		
Equity investments at fair value through other comprehensive income	**21,590**	10,900
Investments at fair value through profit or loss mandatorily measured	**320**	558
Financial assets at amortised cost (including bank and cash balances)	**60,632**	74,631
	82,542	86,089
Financial liabilities:		
Financial liabilities at amortised costs	**79,621**	86,775

The Group's activities expose it to a variety of financial risks: market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(b) Currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Price risk

The Group's investments at fair value through profit or loss and equity investments at fair value through other comprehensive income are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The directors of the Company manage this exposure by maintaining a portfolio of investments with difference risk profiles.

At 31 December 2024, if the share prices of the investments at fair value through profit or loss increase/decrease by 10%, loss after tax for the year would have been approximately HK$27,000 (2023: approximately HK$47,000) decrease/increase, arising as a result of the fair value gain/loss of the investments. If the share process of the equity investments at fair value through other comprehensive income increase/decrease by 10%, other comprehensive loss for the year would have been approximately HK$1,803,000 lower/higher, arising as a result of the fair value gain/loss of the investments.

(d) Credit risk

The credit risk of the Group mainly arises from bank balances, trade receivables, deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets

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. 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 large customer. Limits and scoring attributed to large customers are reviewed once 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 trade receivable balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 73% (31 December 2023: 79%) of the total trade receivable as at 31 December 2024.

Deposits and other receivables

For deposits and other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit risk *(Continued)*

The table below is the internal credit policy of the Group:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
High risk	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Doubtful	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk 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 2024 and 31 December 2023.

The amount presented are gross carrying amounts for financial assets and contract assets.

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
Trade receivable*	–	–	–	**18,938**	**18,938**
Financial assets included in deposits and other receivables					
– Normal	**36,323**	–	–	–	**36,323**
Bank and cash balance					
– Not yet past due	**5,371**	–	–	–	**5,371**
	41,694	–	–	**18,938**	**60,632**

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Credit risk *(Continued)*

Maximum exposure and year-end staging (Continued)

At 31 December 2023

	12-month ECLs	LifetimeECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
Trade receivable*	–	–	–	15,584	15,584
Financial assets included in deposits and other receivables					
– Normal	47,452	–	–	–	47,452
Bank and cash balance					
– Not yet past due	11,595	–	–	–	11,595
	59,047	–	–	15,584	74,631

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 25 to the consolidated financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 25 to the consolidated financial statements.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The maturity analysis of the Group's financial liabilities is as follows:

	Weighted average interest rate %	Less than 1 year or on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2024							
Trade payables	**N/A**	**2,987**	**–**	**–**	**–**	**2,987**	**2,987**
Other payables and accruals	**N/A**	**14,344**	**–**	**–**	**–**	**14,344**	**14,344**
Bank and other loans	**3.93%**	**35,651**	**15,271**	**8,697**	**–**	**59,619**	**55,924**
Bonds	**5.91%**	**–**	**–**	**–**	**24,750**	**24,750**	**4,816**
		52,982	**15,271**	**8,697**	**24,750**	**101,700**	**78,071**
Lease liabilities	**4.84%**	**1,394**	**187**	**–**	**–**	**1,581**	**1,550**
At 31 December 2023							
Trade payables	N/A	3,455	–	–	–	3,455	3,455
Other payables and accruals	N/A	15,257	–	–	–	15,257	15,257
Bank and other loans	4.04%	43,498	11,817	8,992	–	64,307	60,486
Bonds	5.91%	–	–	–	24,750	24,750	4,547
		62,210	11,817	8,992	24,750	107,769	83,745
Lease liabilities	5.25%	2,322	822	–	–	3,144	3,030

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Interest rate risk

At 31 December 2024, the Group's other loan of approximately HK$5,002,000 (2023: approximately HK$5,209,000) and bonds of approximately HK$4,816,000 (2023: approximately HK$4,547,000) bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

At 31 December 2024, the Group's exposure to interest-rate risk arises from its bank balances of approximately HK$5,371,000 (2023: approximately HK$11,595,000) and bank loan of approximately HK$35,651,000 (2023: approximately HK$43,460,000). These bank balances and bank loan bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2024, if interest rates at that date had been 50 basis points lower with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$177,000 (2023: approximately HK$215,000) lower (2023: lower), arising mainly as a result of lower interest expenses on bank loans. If interest rates had been 50 basis points higher, with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$151,000 (2023: approximately HK$159,000) higher (2023: higher), arising mainly as a result of higher interest expenses on bank loans.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Disclosures of level in fair value hierarchy

	Fair value measurements using:			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
At 31 December 2024				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
– Listed equity securities outside Hong Kong	**320**	**–**	**–**	**320**
Equity investments at fair value through other comprehensive income				
– Listed equity securities outside Hong Kong (Note)	**21,590**	**–**	**–**	**21,590**
Investment properties Commercial (PRC)	**-**	**–**	**216,035**	**216,035**
	21,910	**–**	**216,035**	**237,945**

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(a) Disclosures of level in fair value hierarchy (Continued)

	Fair value measurements using:			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
At 31 December 2023				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
– Listed equity securities in Hong Kong	55	–	–	55
– Listed equity securities outside Hong Kong	503	–	–	503
Equity investments at fair value through other comprehensive income				
– Listed equity securities outside Hong Kong	1,023	–	–	1,023
– Private equity investment (Note)	–	–	9,877	9,877
Investment properties Commercial (PRC)	–	–	244,259	244,259
	1,581	–	254,136	255,717

Note: The equity investment at fair value through other comprehensive income with fair values of HK$21,590,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As unadjusted quoted prices are available in the active market, the fair value measurement of the equity investment was accordingly transferred from Level 3 to Level 1 of the fair value hierarchy.

(b) Reconciliation of assets measured at fair value based on level 3:

Description	**Equity investments at fair value through other comprehensive income HK$'000**	**Investment properties HK$'000**	**Total HK$'000**
At 31 December 2024			
At beginning of year	**9,877**	**244,259**	**254,136**
Total unrealised losses recognised in – profit or loss	**–**	**(20,617)**	**(20,617)**
Transfer out (Note)	**(9,877)**	**–**	**(9,877)**
Exchange realignment	**–**	**(7,607)**	**(7,607)**
At end of year	**–**	**216,035**	**216,035**

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(b) Reconciliation of assets measured at fair value based on level 3: (Continued)

Description	Equity investments at fair value through other comprehensive income HK$'000	Investment properties HK$'000	Total HK$'000
At 31 December 2023			
At beginning of year	43,025	256,671	299,696
Total unrealised losses recognised in			
– profit or loss	–	(5,536)	(5,536)
– other comprehensive income	(975)	–	(975)
Disposals of subsidiaries *(note 40(b))*	(32,311)	–	(32,311)
Exchange realignment	138	(6,876)	(6,738)
At end of year	9,877	244,259	254,136

Note: The equity investment at fair value through other comprehensive income with fair values of HK$21,590,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As unadjusted quoted prices are available in the active market, the fair value measurement of the equity investment was accordingly transferred from Level 3 to Level 1 of the fair value hierarchy.

During the years ended 31 December 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group engages external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

5. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Fair values *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

As at 31 December 2024

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB 82-132 per square meter	Increase	216,035
		Monthly market rent	RMB 82 per square meter	Increase	
		Term yield rate	5.50%	Decrease	
		Reversionary yield rate	5.75%	Decrease	

As at 31 December 2023

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB40-122 per square meter	Increase	244,259
		Monthly market rent	RMB102 per square meter	Increase	
		Term yield rate	3.25%	Decrease	
		Reversionary yield rate	3.50%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	Discounted cash flow	Weighted average cost of capital	13.11%	Decrease	9,877
		Discount for lack of marketability	20.5%	Decrease	

6. OPERATING SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by different business lines. Information reported to the Group's executive directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment is prepared on this basis. The Group has identified the following three reportable segments under HKFRS 8 Operating Segments as follows:

– provision of IT infrastructure solutions and maintenance services ("IT solutions and maintenance");

– money lending (discontinued operation);

– Securities investments; and

– rental of properties.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3 to the consolidated financial statements. Segment results represent the profit or loss of each operating segment without allocation of include bank and other interest income, finance costs as well as head office and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

	Continuing operations								Discontinued operation			
	IT solutions and maintenance		Securities investments		Rental of properties		Total		Money lending		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:												
Revenue from external customers	**30,291**	38,043	**–**	–	**11,194**	11,185	**41,485**	49,228	**–**	2,860	**41,485**	52,088
Segment (loss)/profit	**(8,345)**	(13,762)	**(237)**	1	**(10,545)**	4,560	**(19,127)**	(9,201)	**–**	(1,606)	**(19,127)**	(10,807)
Reconciliation:												
Bank and other interest income							**16**	2,558	**–**	5	**16**	2,563
Corporate and other unallocated expenses							**(16,686)**	(10,742)	**–**	–	**(16,686)**	(10,742)
Finance costs							**(2,578)**	(5,589)	**–**	(3)	**(2,578)**	(5,592)
Loss before tax							**(38,375)**	(22,974)	**–**	(1,604)	**(38,375)**	(24,578)

6. OPERATING SEGMENT INFORMATION *(Continued)*

	Continuing operations								Discontinued operation			
	IT solutions and maintenance		Securities investments		Rental of properties		Total		Money lending		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets:	**53,849**	44,295	**396**	616	**231,020**	258,153	**285,265**	303,064	**–**	–	**285,265**	303,064
Corporate and other unallocated assets											**42,639**	46,820
Total assets											**327,904**	349,884
Segment liabilities:	**(25,200)**	(21,871)	**–**	(38)	**(44,648)**	(52,573)	**(69,848)**	(74,482)	**–**	–	**(69,848)**	(74,482)
Corporate and other unallocated liabilities											**(13,056)**	(14,462)
Total liabilities											**(82,904)**	(88,944)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than corporate assets; and
- all liabilities are allocated to operating segments other than corporate liabilities.

6. OPERATING SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2024

	IT solutions and maintenance HK$'000	Securities investments HK$'000	Rental of properties HK$'000	Reportable segments, total HK$'000	Unallocated HK$'000	Total HK$'000
Continuing operations:						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation of property, plant and equipment	**304**	**–**	**3**	**307**	**136**	**443**
Depreciation of right-of-use assets	**596**	**–**	**–**	**596**	**1,788**	**2,384**
Additions to non-current assets	**14,133**	**–**	**–**	**14,133**	**4**	**14,137**
Impairment loss under expected credit losses model	**891**	**–**	**–**	**891**	**96**	**987**
Loss on disposal of property, plant and equipment	**37**	**–**	**33**	**70**	**–**	**70**
Fair value loss of investment properties	**–**	**–**	**20,617**	**20,617**	**–**	**20,617**
Fair value loss of financial assets at FVTPL	**–**	**202**	**–**	**202**	**–**	**202**
Interest income	**–**	**–**	**–**	**–**	**(16)**	**(16)**

For the year ended 31 December 2023

	IT solutions and maintenance HK$'000	Securities investments HK$'000	Rental of properties HK$'000	Reportable segments, total HK$'000	Unallocated HK$'000	Total HK$'000
Continuing operations:						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation of property, plant and equipment	478	–	3	481	265	746
Depreciation of right-of-use assets	504	–	–	504	1,838	2,342
Additions to non-current assets	554	–	–	554	588	1,142
Gain on disposal of property, plant and equipment	–	–	–	–	(80)	(80)
Fair value loss of investment properties	–	–	5,536	5,536	–	5,536
Fair value gain of financial assets at FVTPL	–	(29)	–	(29)	–	(29)
Interest income	–	–	–	–	(2,558)	(2,558)

6. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

	Revenue		Non-current assets	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**29,481**	38,800	**22,777**	12,870
PRC except Hong Kong	**12,004**	13,288	**216,568**	245,053
	41,485	52,088	**239,345**	*257,923*
Discontinued operation	**–**	(2,860)	**–**	–
Consolidated total	**41,485**	49,228	**239,345**	257,923

Information about the Group's revenue from external customers is presented based on the location of the customers.

Information about the non-current assets, except equity investments at fair value through other comprehensive income, deferred tax assets and deposits is presented based on the location of the operations of relevant group entities.

Information about major customers

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

	2024	2023
	HK$'000	HK$'000
Customer A[1]	**11,194**	11,185

[1] Revenue from rental properties segment.

7. REVENUE

The Group's revenue which represents (1) sale of computer hardware and software; (2) Provision of technical support and maintenance service; (3) rental income; and (4) loan interest income are as follows:

7. REVENUE *(Continued)*

	2024	2023
	HK$'000	HK$'000
Sale of computer hardware and software	**12,963**	17,324
Provision of technical support and maintenance service	**17,328**	20,719
Provision of property management services	**5,295**	5,532
Revenue from contracts with customers within the scope of HKFRS15	**35,586**	43,575
Rental income	**5,899**	5,653
Loan interest income	**–**	2,860
Total revenue	**41,485**	52,088
Representing:		
Continuing operations	**41,485**	49,228
Discontinued operation	**–**	2,860
Total revenue	**41,485**	52,088
Disaggregation of revenue from contracts with customers:		
Geographical markets		
Hong Kong	**29,481**	35,940
PRC except Hong Kong	**6,105**	7,635
Total	**35,586**	43,575
Major products/services		
Sale of computer hardware and software	**12,963**	17,324
Provision of technical support and maintenance services	**17,328**	20,719
Provision of property management services	**5,295**	5,532
Total	**35,586**	43,575
Timing of revenue recognition		
At a point in time	**12,963**	17,324
Over time	**22,623**	26,251
Total	**35,586**	43,575

7. REVENUE *(Continued)*

Sale of computer hardware and software

The Group sells computer hardware and software to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products. Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability. A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Provision of services

The Group provides software development, system integration, technical support and maintenance services to the customers. When the progress towards complete satisfaction of the performance obligations of a contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

Provision of property management services

Property management services fees recognised on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The property management services fees are due on the end of each month.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The following table includes the aggregated amounts of the transaction price allocated to the remaining performance obligations under the Group's existing service contracts. The transaction price does not include any estimated amounts of variable consideration, unless at the reporting date it is highly probable that the Group will satisfy the conditions of variable consideration.

7. REVENUE *(Continued)*

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date *(Continued)*

	2024	2023
	HK$'000	HK$'000
Remaining performance obligations expected to be satisfied		
Within one year	**2,179**	1,566
After one year	**184**	–
Total	**2,363**	1,566

Except for the aforesaid contracts, the Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its other contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that has an original expected duration of one year or less.

8. OTHER INCOME AND GAINS

	2024	2023
	HK$'000	HK$'000
Bank and other interest income	**16**	2,563
Gain on disposal of property, plant and equipment	**–**	80
Income from agency services *(Note i)*	**–**	–
Service income	**215**	–
Others	**800**	834
	1,031	3,477
Representing:		
Continuing operations	**1,031**	3,472
Discontinued operation	**–**	5
	1,031	3,477

Notes:

(i) During the year end 31 December 2023, the Group provided agency services in relation to technical knowhow services to certain customers. The revenue of approximately USD12,090,000 (equivalent to approximately HK$94,299,000) and costs of approximately USD12,090,000 (equivalent to approximately HK$94,299,000) in the form of cryptocurrency (Tether 12,028,000 and Binance USD 62,000) were recorded on a net basis.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	HK$'000
Interest expenses on:		
Other loans	**743**	581
Bank loans	**1,454**	1,883
Bonds	**269**	121
Lease liabilities	**112**	208
Imputed interest on promissory notes	**–**	2,799
	2,578	5,592
Representing:		
Continuing operations	**2,578**	5,589
Discontinued operation *(note 14)*	**–**	3
	2,578	5,592

10. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	2024	2023
	HK$'000	HK$'000
Employee benefit expense (including directors' remuneration – note 11):		
Salaries, allowances and benefits in kind	**21,223**	19,518
Pension schemes contribution	**1,229**	1,295
Equity-settled share-based payment expenses	**1,764**	931
	24,216	21,744
Rental income from investment properties:		
Gross rental income from investment properties	**(5,899)**	(5,653)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**148**	298
	(5,751)	(5,355)
Cost of inventories sold	**14,794**	21,391
Cost of services provided	**4,293**	5,269
Written-off of property, plant and equipment	**–**	13
Depreciation of property, plant and equipment	**443**	746
Depreciation of right-of-use assets	**2,384**	2,342
Amortisation of other intangible assets	**866**	866
Expenses related to short-term leases	**479**	506
Auditors' remuneration	**800**	1,050
Foreign exchange differences, net	**289**	241
Research and development expenses	**–**	8,256

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(a) Directors' emoluments

	Fees	Salaries, allowances and other benefits	Pension schemes contribution	Equity settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (i))*	As management *(Note (iii))*	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2024							
Executive directors							
Mr. Wong King Shiu, Daniel	**160**	**840**	**18**	**330**	**–**	**–**	**1,348**
Mr. Chang Ki Sum, Clark *(Note (iii))*	**80**	**284**	**18**	**250**	**–**	**–**	**632**
Mr. Chu Joshua Allen Kiu Wah *(Note (iv))*	**153**	**–**	**–**	**–**	**–**	**–**	**153**
Mr. SO Han Meng Julian *(Note (vii))*	**26**	**–**	**–**	**–**	**–**	**–**	**26**
	419	**1,124**	**36**	**580**	**–**	**–**	**2,159**
Non-executive director							
Hon Li Sai Wing, *JP, MH*	**240**	**–**	**–**	**243**	**–**	**–**	**483**
Ms. Leung Kai Ming, *MH (Note (v))*	**100**	**–**	**–**	**–**	**–**	**–**	**100**
	340	**–**	**–**	**243**	**–**	**–**	**583**
Independent non-executive directors							
Dr. Chen Shengrong	**160**	**–**	**–**	**–**	**–**	**–**	**160**
Mr. Hung Hing Man *(Note (vi))*	**94**	**–**	**–**	**–**	**–**	**–**	**94**
Mr. Wong Hoi Kuen	**160**	**–**	**–**	**–**	**–**	**–**	**160**
Mr. Chu Wun Chiu *(Note (v))*	**50**	**–**	**–**	**–**	**–**	**–**	**50**
	464	**–**	**–**	**–**	**–**	**–**	**464**
Total	**1,223**	**1,124**	**36**	**823**	**–**	**–**	**3,206**

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

(a) Directors' emoluments *(Continued)*

	Fees	Salaries, allowances and other benefits	Pension schemes contribution	Equity settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (ii))*	As management *(Note (iii))*	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2023							
Executive directors							
Mr. Wong King Shiu, Daniel	160	840	18	165	–	–	1,183
Mr. Chang Ki Sum, Clark *(Note (iii))*	160	500	18	166	–	–	844
	320	1,340	36	331	–	–	2,027
Non-executive director							
Hon Li Sai Wing, *JP, MH*	240	–	–	122	–	–	362
Independent non-executive directors							
Dr. Chen Shengrong	160	–	–	–	–	–	160
Mr. Hung Hing Man *(Note (vi))*	160	–	–	–	–	–	160
Mr. Wong Hoi Kuen	160	–	–	–	–	–	160
	480	–	–	–	–	–	480
Total	1,040	1,340	36	453	–	–	2,869

Notes:

(i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company.

(ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

(iii) Resigned on 28 June 2024.

(iv) Appointed on 28 June 2024.

(v) Appointed on 1 August 2024.

(vi) Resigned on 1 August 2024.

(vii) Appointed on 1 November 2024.

During the year, no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals in the Group during the year included one director (2023: two directors) whose emoluments are reflected in the analysis presented above. The emoluments of the remaining four (2023: three) individuals are set out below:

	2024	2023
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,971**	2,328
Pension schemes contribution	**54**	36
Equity settled share-based payment	**419**	43
	3,444	2,407

Their emoluments were within the following band:

	Number of individuals 2024	Number of individuals 2023
Nil – HK$1,000,000	**3**	3
HK$1,000,001 to HK$2,000,000	**1**	–
Total	**4**	***3***

During the year, no emoluments were paid by the Group to the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX EXPENSE/(CREDIT)

		2024	2023
		HK$'000	HK$'000
Hong Kong profits tax			
– Current taxation		**5**	275
– Under-provision in prior years		**3**	–
		8	275
Deferred tax credit *(note 23)*		**–**	(80)
		8	195
Representing:			
Continuing operations		**8**	(80)
Discontinued operation *(note 14)*		**–**	275
		8	195

For the years ended 31 December 2024 and 2023, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rate regime, the first HK$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the consolidated financial statements for both years as the subsidiaries in the PRC have no taxable profits.

12. INCOME TAX EXPENSE/(CREDIT) *(Continued)*

The tax expense/(credit) charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follow:

	2024	2023
	HK$'000	HK$'000
Loss before tax from continuing operations	**(38,875)**	(22,974)
Notional tax on loss before tax, calculated at the rates applicable to profits in the jurisdictions concerned	**(7,778)**	(3,851)
Tax effect of income that is not taxable	**(22)**	(5,049)
Tax effect of expenses that are not deductible	**1,156**	5,075
Tax effect of temporary differences not recognised	**3,702**	(2,769)
Tax effect of tax losses not recognised	**3,130**	6,520
Under provision in respect of prior year	**3**	–
Tax effect of utilisation of tax losses not previously recognised	**(183)**	(6)
Tax expense/(credit) for the year	**8**	(80)

13. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

14. DISCONTINUED OPERATION

The Group's discontinued operation for the year ended 31 December 2023 represented the money lending segment operated by Rosy Time Investments Limited and Value Creation Finance Limited (collectively referred to as the "Rosy Time Group").

Pursuant to an agreement dated 15 November 2023 entered into between the Company and an independent third party (the "Purchaser"), the Company disposed of 100% interest in a wholly-owned subsidiaries, Rosy Time Investments Limited ("Rosy Time") at a consideration of HK$24,500,000 ("Transaction"). Rosy Time held 100% interest in Value Creation Finance Limited, which was engaged in the money lending business during the year. The Transaction was completed on 20 November 2023 and the Group ceased its money lending business.

The respective loss for the year ended 31 December 2023 from Rosy Time Group is set out below.

14. DISCONTINUED OPERATION *(Continued)*

(a) The (loss)/profit for the year from the discontinued operation is analysed as follows:

	2023 HK$'000
Profit of discontinued operation	2,429
Loss on disposal of discontinued operation *(note 37(a))*	(4,308)
	(1,879)

The results of the discontinued operation for the period from 1 January 2023 to 20 November 2023, which have been included in the consolidated statement of profit or loss, are as follows:

	Period from 1 January 2023 to 20 November 2023 HK$'000
Loan interest revenue	2,860
Bank and other interest income	5
Administrative expenses	(158)
Finance costs	(3)
Profit before tax	2,704
Income tax expense	(275)
Profit for the year	2,429
Loss on disposal of discontinued operation *(note 37(a))*	(4,308)
Loss for the year from discontinued operation	(1,879)

During the year, ended 31 December 2023, the Rosy Time Group received approximately HK$960,000 in respect of operating activities, and there was no cash flow generated or used in investing activities and paid approximately HK$1,643,000 in respect of financing activities.

No tax charge or credit arose on loss on disposal of the discontinued operation.

14. DISCONTINUED OPERATION *(Continued)*

(b) Profit before tax from discontinued operation

The Group's profit before tax from discontinued operation is arrived at after charging:

	2023 HK$'000
Depreciation of right-of-use assets	112
Expenses related to short-term leases	3

15. LOSS PER SHARE

(a) From continuing and discontinued operations

Basic loss per share

The calculation of basic loss (2023: loss) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$37,634,000 (2023: loss of approximately HK$22,755,000) and the weighted average number of ordinary shares of 67,201,029 (2023: 59,047,916) in issue during the year has been adjusted for the placing of new shares on 12 July 2024.

Diluted loss per share

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the years ended 31 December 2024 and 2023.

(b) From continuing operations

Basic loss per share

The calculation of basic loss (2023: loss) per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of approximately HK$37,634,000 (2023 loss of approximately HK$20,876,000) and the denominator used is the same as that detailed above for basic loss per share.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2024 and 2023.

15. LOSS PER SHARE *(Continued)*

(c) From discontinued operations

Basic loss per share

During the year ended 31 December 2023, basic loss per share from the discontinued operation is HK3.2 cents per share and diluted loss per share from the discontinued operation is HK3.2 cents per share, based on the loss for the year from discontinued operation attributable to the owners of the Company of approximately HK$1,879,000 and the denominators used are the same as those detailed above for both basic and diluted loss per share.

Basic loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2024 and 2023.

16. INVESTMENT PROPERTIES

	2024	2023
	HK$'000	HK$'000
At 1 January	**244,259**	256,671
Fair value loss	**(20,617)**	(5,536)
Exchange realignment	**(7,607)**	(6,876)
At 31 December	**216,035**	244,259

The fair value of the Group's investment properties at 31 December 2024 and 2023 have been arrived at on the basis of a valuation carried out on that date by BonVision International Appraisals Limited (the "Valuer") (2023: Roma Appraisals Limited), independent qualified professional valuers not connected with the Group. The Valuer are members of Hong Kong Institute of Surveyors. The valuation was arrived at by adopting income approach as available in the market to assess the market value of the investment properties. During the assessment of the fair values of investment properties, the Valuer and the directors of the Company have exercised their judgement and are satisfied that the method of valuation and the key inputs, including term yield, reversionary yield and market rent are reflective of the current market conditions. If there are changes in the assumptions used for the valuations, the fair value of the investment properties will change in the future.

At 31 December 2024, the carrying amount of investment properties of approximately HK$216,035,000 (2023: approximately HK$244,259,000) pledged as security for the Group's bank loans amounted to approximately HK$35,651,000 (2023: approximately HK$43,460,000).

16. INVESTMENT PROPERTIES *(Continued)*

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The income approach estimates the values of the properties on an open market basis by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised on a fully leased basis. In this approach, the Valuer has considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. Details of the fair value of investment properties refer to Note 5.

The Group's future undiscounted lease payments under operating leases are receivable as follows:

	2024	2023
	HK$'000	HK$'000
Less than 1 year	**5,176**	5,196
Between 1 and 2 years	**5,332**	5,352
Between 2 and 3 years	**5,491**	5,512
Between 3 and 4 years	**5,656**	5,677
Between 4 and 5 years	**5,826**	5,848
Over 5 years	**78,206**	86,878
	105,687	114,463

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST:				
At 1 January 2023	2,364	2,956	3,463	8,783
Exchange realignment	–	(23)	(11)	(34)
Additions	–	63	575	638
Disposal/written off	–	(22)	(743)	(765)
Disposal of subsidiaries *(note 37(a) and (b))*	(78)	(305)	–	(383)
At 31 December 2023 and 1 January 2024	**2,286**	**2,669**	**3,284**	**8,239**
Exchange realignment	**–**	**(17)**	**(11)**	**(28)**
Additions	**–**	**39**	**–**	**39**
Disposal/written off	**–**	**(47)**	**(814)**	**(861)**
At 31 December 2024	**2,286**	**2,644**	**2,459**	**7,389**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS:				
At 1 January 2023	1,995	2,373	3,230	7,598
Exchange realignment	–	(17)	(10)	(27)
Provided during the year	221	286	239	746
Disposal/written off	–	(9)	(743)	(752)
Disposal of subsidiaries *(note 37(a) and (b))*	(78)	(300)	–	(378)
At 31 December 2023 and 1 January 2024	**2,138**	**2,333**	**2,716**	**7,187**
Exchange realignment	**–**	**(14)**	**(10)**	**(24)**
Provided during the year	**148**	**180**	**115**	**443**
Disposal/written off	**–**	**(9)**	**(773)**	**(782)**
At 31 December 2024	**2,286**	**2,490**	**2,048**	**6,824**
CARRYING AMOUNTS:				
At 31 December 2024	**–**	**154**	**411**	**565**
At 31 December 2023	148	336	568	1,052

18. GOODWILL

	2024 HK$'000	2023 HK$'000
Cost		
At 1 January	**6,504**	6,504
Additions on acquisition of subsidiaries *(Note 37(c))*	**13,052**	–
At 31 December	**19,556**	6,504
Carrying amount:		
At 31 December	**19,556**	6,504
The carrying amount of goodwill had been allocated as follows:		
IT solutions and maintenance	**19,556**	6,504

The recoverable amount of this CGUs are determined by reference to the value-in-use approach, which are based on discounted cash flow based on the financial budgets approved by the management covering a 5-year period, and the discount rate of approximately 14.38% to 15.26% (2023: approximately 14.18% to 14.40%) that reflects current market assessment of the time value of money and the risks specific to the CGUs. Cash flows beyond 5-year period have been extrapolated using a steady 2% (2023: 2%) annual growth rate.

Assumptions are used in the value-in-use calculations of the abovementioned IT solutions and maintenance segment's CGU as at 31 December 2024. The following describes each key assumptions on which management have based their cash flow projections to undertake impairment testing of goodwill:

	2024
Revenue growth rate	**15%**
Budgeted gross margin	**36%**
Terminal growth rate	**2%**
Pre-tax discount rate	**14.38%~15.26%**

The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements, and expected market development. Terminal growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rate is consistent with forecasts included in industry. The discount rate used is before tax and reflects specific risks related to the relevant unit.

19. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2024	2023
	HK$'000	HK$'000
At 31 December:		
Right-of-use assets		
– Land and buildings	**1,500**	2,938

	2024	2023
	HK$'000	HK$'000
For the year ended 31 December:		
Depreciation charge of right-of-use assets		
– Land and buildings	**2,384**	2,454
Lease interests	**112**	208
Expenses related to short-term leases	**479**	509
Total cash outflow for leases	**3,015**	3,117
Additions to right-of-use assets	**1,046**	504
Lease commitments of short-term leases	**46**	258

The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 1 to 2 years (2023: 1 to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

20. OTHER INTANGIBLE ASSETS

	Customer relationships HK$'000 *(note (a))*	Money lending license HK$'000 *(note (b))*	Total HK$'000
COST:			
At 1 January 2023	8,242	440	8,682
Disposal of subsidiaries *(note 37(a))*	–	(440)	(440)
At 31 December 2023, 1 January 2024 and 31 December 204	8,242	–	8,242
ACCUMULATED AMORTISATION:			
At 1 January 2023	4,821	–	4,821
Provided during the year	866	–	866
At 31 December 2023 and 1 January 2024	5,687	–	5,687
Provided during the year	866	–	866
At 31 December 2024	6,553	–	6,553
CARRYING AMOUNTS:			
At 31 December 2024	**1,689**	**–**	**1,689**
At 31 December 2023	2,555	–	2,555

Notes:

(a) The useful life of the customer relationship is 10 years.

(b) The money lending license was disposed through disposal of subsidiaries during the year ended 31 December 2023.

21. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	**2024 HK$'000**	2023 HK$'000
Listed (2023: Unlisted) equity investments, at fair value			
– Global Engine Group Holding Limited ("Global Engine")	*(a)*	**21,590**	9,877
Listed equity securities outside Hong Kong	*(b)*	**–**	1,023
		21,590	10,900

The equity investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

Notes:

(a) On 1 April 2021, the Group acquired 10% equity interest of Global Engine Group Holding Limited ("Global Engine"), a company incorporated in the British Virgin Islands with limited liability, at a consideration of HK$10,000,000 which is satisfied by issuance of 20,000,000 new shares at consideration share price of HK$0.5 per share. Global Engine is an investment holding company and its directly wholly-owned subsidiary is an integrated solutions provider in information and communication technologies, system integration and other technical consultation services in Hong Kong and Asia Pacific region. During the year, the Company did not receive any (2023: HK$nil) dividend from Global Engine. During the year ended 31 December 2024, Global Engine becomes listed on Nasdaq Stock Market LLC. As at 31 December 2024, it was measured at fair value of approximately HK$21,590,000 (2023: approximately HK$9,877,000).

(b) On 25 October 2022, the Company entered into a share swap agreement (the "Share Swap Agreement") with Bonanza Goldfields Corp. ("Bonanza"). In accordance with the terms of the Share Swap Agreement, the Company has allotted and issued 2,652,038 shares to Marvion Group Limited ("Marvion"), a wholly-owned subsidiary of Bonanza, at the agreed price of HK$1.35 per share. Simultaneously, Bonanza has allotted and issued 218,574,618 BONZ Shares to the Company, at the subscription price of US$0.0021 (equivalent to approximately HK$0.01638) per BONZ Share. The share swap was completed on 17 April 2023.

The BONZ Shares (subsequently know as MVNC Shares) are traded in the over-the-counter markets in the United States. During the year ended 31 December 2024, the Company disposed the MVNC Shares at approximately HK$4,000.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	2024 HK$'000	2023 HK$'000
Deposits and other receivables		**2,249**	1,542
Consideration receivables from disposal of subsidiaries *(Notes 37(a) & (b))*	*(a)*	**34,300**	45,910
Prepayments		**146**	844
		36,695	48,296
Less: Allowances for credit losses		**(226)**	–
		36,469	48,296
Less: Deposits and prepayment classified as non-current assets		**(587)**	(1,202)
		35,882	47,094

Notes:

(a) (i) As at 31 December 2024, included in other receivables of the gross amount of approximately HK$17,314,000 (2023: approximately HK$21,410,000) is receivables from the purchasers of Rosy Ridge Investments Limited. A 12-month ECL of approximately HK$126,000 (2023: HK$nil) has been provided in respect of the receivable balance.

(ii) As at 31 December 2024, included in other receivables of gross amount of approximately HK$16,986,000 (2023: approximately HK$24,500,000) is receivables from the purchasers of Rosy Time Investments Limited. A 12-month ECL of approximately HK$88,000 (2023: HK$nil) has been provided in respect of the receivable balance.

The movement in the loss allowance for impairment of deposits and other receivables is set out below:

	2024 HK$'000	2023 HK$'000
At the beginning of the year	**–**	–
Impairment loss recognised	**226**	**–**
At the end of the year	**226**	**–**

Details of impairment assessment of deposits and other receivables are set out in note 5(c).

23. DEFERRED TAX

The following are the major deferred tax assets/(liabilities) recognised by the Group:

	Revaluation of equity investments at fair value through other comprehensive income HK$'000	Other intangible assets HK$'000	Tax losses HK$'000	Right-of-use assets HK$'000	Lease liability HK$'000	Total HK$'000
At 1 January 2023	(4,846)	(566)	5,973	–	–	561
Credit/(charge) to consolidated profit or loss	–	143	(63)	–	–	80
Disposal of subsidiaries *(note 37(b))*	4,868	–	–	–	–	4,868
Exchange realignment	(22)	–	–	–	–	(22)
At 31 December 2023 and 1 January 2024	**–**	**(423)**	**5,910**	**–**	**–**	**5,487**
Credit/(charge) to consolidated profit or loss	**–**	**143**	**(143)**	**115**	**(115)**	**–**
Exchange realignment	**–**	**–**	**–**	**(2)**	**2**	**–**
At 31 December 2024	**–**	**(280)**	**5,767**	**113**	**(113)**	**5,487**

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2024 HK$'000	2023 HK$'000
Deferred tax assets	**5,620**	5,522
Deferred tax liabilities	**(133)**	(35)
	5,487	5,487

The Group has tax losses arising in Hong Kong of approximately HK$216,104,000 (2023: approximately HK$202,240,000) that are available indefinitely and in Mainland China of approximately HK$28,326,000 (2023: approximately HK$28,376,000) that are available for a maximum of five years, for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses of approximately HK$206,059,000 (2023: approximately HK$194,805,000) as they have arisen in certain subsidiaries that have been loss-making for some time and it is considered not probable that taxable profits will be available against which tax losses can be utilised.

As at 31 December 2024, the Group has deductible temporary differences of approximately HK$24,582,000 (2023: approximately HK$16,477,000) not recognised as deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

23. DEFERRED TAX *(Continued)*

At the end of the reporting period, there is no temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised (2023: nil).

24. INVENTORIES

	2024	2023
	HK$'000	HK$'000
Finished goods and merchandises	**251**	121

25. TRADE RECEIVABLES

	2024	2023
	HK$'000	HK$'000
Trade receivables	**19,699**	15,584
Less: Allowances for credit losses	**(761)**	–
	18,938	15,584

Notes:

(a) The Group has granted credit terms to its customers within 30 days (2023: ranging from 30 to 90 days). Overdue balances are reviewed by the directors of the Company. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

(b) The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2024	2023
	HK$'000	HK$'000
Within 1 month	**12,779**	13,326
1 to 2 months	**1,694**	587
2 to 3 months	**1,553**	187
Over 3 months	**2,912**	1,484
	18,938	15,584

25. TRADE RECEIVABLES *(Continued)*

The movement in the loss allowance for impairment of trade receivables is set out below:

	Notes	**2024 HK$'000**	2023 HK$'000
At the beginning of the year		**–**	–
Impairment loss recognised		**761**	**–**
At the end of the year		**761**	**–**

Details of impairment assessment of trade receivables are set out in note 5(c).

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Neither past due nor impaired	**Less than 1 month past due**	**1 to 3 months past due**	**Over 3 months to 1 year past due**	**Over 1 year past due**	**Total**
At 31 December 2024						
Weighted average expected loss rate	**0.2%**	**0.2%**	**0.1%**	**17%**	**47%**	**4%**
Receivable amount (HK$'000)	**12,805**	**1,697**	**2,953**	**1,088**	**1,156**	**19,699**
Loss allowance (HK$'000)	**26**	**3**	**3**	**190**	**539**	**761**
At 31 December 2023						
Weighted average expected loss rate	0%	0%	0%	0%	0%	0%
Receivable amount (HK$'000)	13,316	597	216	131	1,324	15,584
Loss allowance (HK$'000)	–	–	–	–	–	–

26. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	HK$'000	HK$'000
Listed equity securities, at fair value		
— in Hong Kong	**–**	55
— outside Hong Kong	**320**	503
	320	558

The investments included above as at 31 December 2024 and 2023 represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the listed equity securities are determined based on the quoted market prices.

27. BANK AND CASH BALANCES

	2024	2023
	HK$'000	HK$'000
Bank and cash balances	**5,371**	11,595

As at 31 December 2024, the bank and cash balances of the Group denominated in RMB amounted to approximately HK$1,216,000 (2023: approximately HK$1,011,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

28. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK$'000	HK$'000
Within 1 month	**581**	881
1 to 2 months	**1,320**	644
2 to 3 months	**905**	492
Over 3 months	**181**	1,438
	2,987	3,455

29. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Contract liabilities – sale of computer hardware and software	**1,330**	233
Contract liabilities – provision of technical support and maintenance services	**1,033**	1,333
Total contract liabilities	**2,363**	1,566
Contract receivables (included in trade receivables)	**5,047**	3,202

As at 1 January 2023, contract liabilities amounted to HK$21,302,000.

29. CONTRACT LIABILITIES *(Continued)*

	2024	2023
	HK$'000	HK$'000
Analysed as:		
Non-current liabilities	**184**	–
Current liabilities	**2,179**	1,566
	2,363	1,566

	2024	2023
	HK$'000	HK$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
— 2024	**–**	1,566
— 2025	**2,179**	–
— 2026	**184**	–
	2,363	1,566

Year ended 31 December	**2024**	2023
	HK$'000	HK$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	**1,566**	6,290

Significant changes in contract liabilities during the year:

	2024	2023
	HK$'000	HK$'000
Increase due to operations in the year	**2,364**	18,512
Transfer of contract liabilities to revenue	**(1,567)**	(38,248)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

30. OTHER PAYABLES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Accruals	**5,401**	6,587
Other payables	**7,261**	6,831
Rental deposit received	**1,682**	1,839
Value-added-tax payables	**646**	568
	14,990	15,825

31. BANK AND OTHER LOANS

	Notes	2024 HK$'000	2023 HK$'000
Bank loans:			
Mortgage loan	*(i)*	**35,651**	43,460
Other loans:			
Margin loans	*(ii)*	**–**	38
Loans from independent third parties	*(iii)*	**20,273**	16,988
		20,273	17,026
		55,924	60,486
Analysed as:			
Non-current liabilities		**20,273**	16,988
Current liabilities		**35,651**	43,498
		55,924	60,486

31. BANK AND OTHER LOANS *(Continued)*

The borrowings are repayable as follows:

	2024	2023
	HK$'000	HK$'000
On demand or within one year	**35,651**	43,498
In the second year	**15,271**	11,817
In the third to fifth years, inclusive	**5,002**	5,171
	55,924	60,486
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(35,651)**	(43,498)
Amount due for settlement after 12 months	**20,273**	16,988

Notes:

(i) The mortgage loan has terms of 8 years until 2030 with a repayable on demand clause exercisable by a bank. The average interest rate was 3.4% (2023: 3.75%).

The mortgage loan is secured by a charge over the Group's investment properties with fair value of approximately HK$216,035,000 (2023: approximately HK$244,259,000) and by the rights to receive the rental fees of the Group's investment properties, and guaranteed by the Company and an independent third party (2023: equity investment of the Company).

(ii) As at 31 December 2023, the margin loans are secured by the Group's equity securities listed in Hong Kong with fair value of approximately HK$55,000, repayable on demand and charged at a fixed interest rate of 9.125% per annum. The margin loan was fully repaid during the year ended 31 December 2024.

(iii) Loan from an independent third party amounted to approximately HK$3,193,000 (2023: approximately HK$3,301,000) is interest bearing at 15% per annum (2023: 15%), unsecured and repayable on 28 July 2027.

Loan from an independent third party amounted to approximately HK$479,000 (2023: approximately HK$495,000) is interest bearing at 13.8% (2023: 13.8%) per annum, unsecured and repayable on 31 July 2028.

Loan from an independent third party amounted to approximately HK$266,000 (2023: approximately HK$275,000) is interest bearing at 13.8% (2023: 13.8%) per annum, unsecured and repayable on 19 September 2028.

Loan from an independent third party amounted to approximately HK$1,064,000 (2023: approximately HK$1,100,000) is interest bearing at 13.8% (2023: 13.8%) per annum, unsecured and repayable on 18 December 2028.

Loan from an independent third party amounted to approximately HK$9,993,000 (2023: approximately HK$10,332,000) is interest free, unsecured and repayable on 1 January 2025. On 31 December 2024, the Group entered into a supplemental agreement with the independent third party, pursuant to which the repayment date of the loan was extended to 1 January 2026.

Loan from an independent third party amounted to approximately HK$5,278,000 (2023: approximately HK$1,485,000) is interest free, unsecured and repayable on 1 January 2025. On 31 December 2024, the Group entered into a supplemental agreement with the independent third party, pursuant to which the repayment date of the loan was extended to 1 January 2026.

32. PROMISSORY NOTE PAYABLES

	HK$'000
At 1 January 2023	**66,288**
Imputed interest	**2,799**
Disposal of subsidiaries (note 37(b))	**(69,352)**
Exchange realignment	**265**
At 31 December 2023, 1 January 2024 and 31 December 2024	**–**

On 3 September 2019, the Group issued a promissory note (the "PN") with fair value of approximately HK$72,435,000 (principal amount of RMB66,341,000) as a consideration for the acquisition of 19% equity interest of Dehuang and a loan receivable with principal amount of RMB51,199,000 (the "Loan Receivable").

The PN was disposed through disposal of subsidiaries during the year ended 31 December 2023.

33. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**1,394**	2,322	**1,365**	2,219
In the second to fifth years, inclusive	**187**	822	**185**	811
	1,581	3,144		
Less: Future finance charges	**(31)**	(114)		
Present value of lease liabilities	**1,550**	3,030	**1,550**	3,030
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,365)**	(2,219)
Amount due for settlement after 12 months			**185**	811

At 31 December 2024, the average effective borrowing rate was 5.125% to 5.25% (2023: 5.125% to 5.25%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

34. BONDS

	2024 HK$'000	2023 HK$'000
Non-current		
Bonds	**4,816**	4,547

The Group announced a completion of the zero coupon bond issuance on 12 July 2023. The total principal amount of the bonds is up to HK$100 million. The bonds will be documented using Distributed Ledger Technology (in place of paper) and will be implemented using Digital Ownership Token standard.

Bonds with HK$24.75 million has been purchased by a third party, with approximately 66.66% discount on face value. The Group received approximately HK$8,252,000 from the bond subscription. The bonds are offered at a discount with an effective yield to maturity of 3.73% per annum, and shall mature on 27 June 2053.

The initial fair value of the bonds is approximately HK$4,426,000. The Group recorded a gain on initial recognition of bonds of approximately HK$3,826,000 in the consolidated statement of profit or loss for the year ended 31 December 2023.

35. SHARE CAPITAL

	Notes	Number of shares 2024	2023	Share capital 2024 HK$'000	2023 HK$'000
Authorised:					
Ordinary shares of HK$0.1 (2023: HK$0.1) each					
At the beginning and at the end of the year		**12,000,000,000**	12,000,000,000	**1,200,000**	1,200,000
Issued and fully paid:					
Ordinary shares of HK$0.1 (2023: HK$0.1) each					
At the beginning of the year		**61,765,237**	51,471,199	**6,177**	5,147
Placing of shares under general mandate	*(ii)*	**11,500,000**	7,642,000	**1,150**	765
Issue of share under share swap	*(i)*	**–**	2,652,038	**–**	265
At the end of the year		**73,265,237**	61,765,237	**7,327**	6,177

35. SHARE CAPITAL *(Continued)*

Notes:

(i) On 25 October 2022, the Company entered into a share swap agreement (the "Share Swap Agreement") with Bonanza. In accordance with the terms of the Share Swap Agreement, the Company has allotted and issued 2,652,038 shares, representing approximately 4.29% of the issued share capital of the Company immediately upon completion of the Share Swap, to Marvion Group Limited ("Marvion"), a wholly-owned subsidiary of Bonanza, at the agreed price of HK$1.35 per share. Simultaneously, Bonanza has allotted and issued 218,574,618 BONZ Shares to the Company, representing approximately 0.15% of the enlarged issued share capital of Bonanza immediately upon completion of the Share Swap, at the subscription price of US$0.0021 (equivalent to approximately HK$0.01638) per BONZ Share. The share swap was completed on 17 April 2023.

(ii) On 14 March 2023, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, on a best effort basis, of up to 7,642,000 placing shares, to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$1.93 per placing share. The placing was completed on 4 April 2023.

On 6 June 2024, Gold Unity Limited ("Gold Unity"), a wholly-owned subsidiary of the Company, had entered into an agreement with JStage Technology Limited ("JStage"), pursuant to which Gold Unity has conditionally agreed to acquire, and JStage has conditionally agreed to sell 100% of the issued share capital of Popsible Limited at a consideration of HK$11,500,000 which to be settled by way of allotment and issue of the 11,500,000 consideration shares by the Company. The closing price of the consideration shares was HK$1.35 at the completion date. The acquisition was completed on 12 July 2024.

36. SHARE OPTION SCHEME

The Company adopted a share option scheme with effect from 2 August 2012 (the "2012 Share Option Scheme") and a new share option with effect from 15 May 2023 (the "2023 Share Option Scheme", together with 2012 Share Option Scheme, the "Schemes") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include the Company's executive and non-executive directors, full-time employees of the Group, advisers and consultants of the Group. The 2012 Share Option Scheme was expired on 1 August 2022. The 2023 Share Option Scheme became effective on 15 May 2023 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon expiry of the Schemes, the options granted under the Scheme remain valid until they expire. Further details of the term and validity of the options are set out below.

The maximum number of shares which may be issued upon exercise of all options granted and yet to be granted under the Schemes is currently limited to 30% of the shares of the Company in issue at any time. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each eligible participant in the Schemes in any 12-month period up to the date of the grant is limited to 1% of the aggregate number of issued shares of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors at their discretion, and commences on the date upon which the options are deemed to be granted and accepted.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. Details of the specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price HK$
13 May 2021	13 May 2021	13 May 2021–12 May 2031	2.19*
16 June 2022	16 June 2022	16 June 2022–15 June 2032	1.40*
10 August 2023	10 August 2024	10 August 2024–9 August 2033	3.42

* *as adjusted*

36. SHARE OPTION SCHEME *(Continued)*

For options granted on 13 May 2021, 16 June 2022 and 10 August 2023, if the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**5,640,775**	**2.29**	4,220,246	1.88
Granted during the year	**–**	**–**	1,568,000	3.42
Forfeited during the year	**(267,562)**	**1.49**	(147,471)	2.44
Outstanding at the end of the year	**5,373,213**	**2.33**	5,640,775	2.29

The estimated fair values of the options granted on 13 May 2021, 16 June 2022 and 10 August 2023 are approximately HK$2,992,000, HK$1,172,000 and HK$2,695,000 respectively.

At the date of approval of these consolidated financial statements, the number of share options permitted to be granted under the Scheme was 4,608,523 (2023: 4,608,523), representing 5.55% (2023: 7.46%) of the Company's shares in share as at that day.

These fair values were calculated using Binominal pricing model. The inputs into the model are as follows:

	10 August 2023	**16 June 2022**	**13 May 2021**
Share price at the date of grant	HK$3.23	HK$0.140	HK$0.245
Exercise price	HK$3.42	HK$0.140	HK$0.245
Expected volatility	76.59%	65.11%	68.33%
Expected life	10 years	10 years	10 years
Risk free rate	3.356%	3.23%	1.2%
Expected dividend yield	0%	0%	0%
Expected Early Exercise Multiple	2.2/2.8	2.2	2.2

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years.

36. SHARE OPTION SCHEME *(Continued)*

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

The Group recognised share-based payment expenses of approximately HK$1,764,000 during the year ended 31 December 2024 (2023: approximately HK$931,000) in relation to the share options granted by the Company.

37. DISPOSAL/ACQUISITION OF SUBSIDIARIES

(a) Rosy Time Investments Limited and its subsidiary

As referred to in note 14 to the consolidated financial statements, on 20 November 2023 the Group discontinued its money lending business at the time of the disposal of its subsidiaries, Rosy Time Investments Limited and Value Creation Finance Limited.

Net assets at the date of disposal were as follows:

	HK$'000
Other intangible assets	440
Prepayments, deposit and other receivables	38
Loan receivables	28,558
Bank and cash balances	22
Current tax liabilities	(249)
Other payables and accruals	(1)
Net assets disposal of subsidiaries	28,808
Loss on disposal of subsidiaries	(4,308)
Total consideration – satisfied by receivables from disposal *(note 22(b))*	24,500
Net cash outflow arising on disposal:	
Cash consideration received	–
Cash and cash equivalents disposed of	(22)
	(22)

Out of total consideration of HK$24,500,000, HK$7,514,000 was settled during the year ended 31 December 2024, whereas the remaining balance of HK$16,986,000 was included in "Prepayments, deposits and other receivables" as at 31 December 2024.

37. DISPOSAL/ACQUISITION OF SUBSIDIARIES *(Continued)*

(b) Rosy Ridge Investments Limited and its subsidiaries

On 3 March 2023, an independent third party (the "Purchaser") and Gorgeous Ocean Global Limited, a direct wholly-owned subsidiary of the Company, (the "Vendor"), entered into an agreement (the "Disposal Agreement"), pursuant to which, the Vendor has conditionally agreed to sell the entire issued share capital of Rosy Ridge Investments Limited (the "Rosy Ridge") and its subsidiaries (collectively referred to as the "Rosy Ridge Group") and to assign the loans receivables from Rosy Ridge Group and Dehuang Investment Company Limited(廣州市德煌投資有限公司)(the "Sale Loan") to the Purchaser, and the Purchaser has conditionally agreed to acquire the entire issued share capital of Rosy Ridge and take up the assignment of the Sale Loan at the consideration of HK$28,000,000.

On 4 May 2023, the Group disposed of the 100% equity interest in Rosy Ridge Group.

Net assets at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	5
Equity investment at fair value through other comprehensive income	32,311
Prepayments, deposits and other receivables	88
Loan receivables	55,561
Bank and cash balances	12
Other payables and accruals	(50)
Promissory notes	(69,352)
Deferred tax liabilities	(4,868)
Net assets disposal of subsidiaries	13,707
Release of foreign currency translation reserve	(385)
Loan receivable assigned to the purchaser	7,522
Gain on disposal of subsidiaries	7,156
	28,000
Satisfied by:	
Cash consideration received	6,590
Consideration receivables from disposal *(note 22(b))*	21,410
	28,000
Net cash inflow arising on disposal:	
Cash consideration received	6,590
Cash and cash equivalents disposed of	(12)
	6,578

Out of total consideration of HK$28,000,000, HK$6,590,000 was settled during the year ended 31 December 2023 and approximately HK$4,096,000 was further repaid during the year ended 31 December 2024, whereas the remaining gross balance of HK$17,314,000 was included in"Prepayments, deposits and other receivables" as at 31 December 2024.

37. DISPOSAL OF SUBSIDIARIES *(Continued)*

(c) Popsible Limited

On 6 June 2024, Gold Unity, a wholly-owned subsidiary of the Company, had entered into an agreement with JStage, pursuant to which Gold Unity has conditionally agreed to acquire, and JStage has conditionally agreed to sell 100% of the issued share capital of Popsible Limited (the "Target Company") at a consideration of HK$11,500,000 which to be settled by way of allotment and issue of the 11,500,000 consideration shares by the Company. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK$13,052,000.

The Target Company is engaged in provision of information technology and public relation serves. Possible Limited was acquired so as to expand the Groups business network and client base, strengthen its existing business.

The acquisition was completed on 12 July 2024. The closing price of the consideration shares was HK$1.35 at the completion date.

The fair value of the identifiable assets and liabilities of the Target Company acquired as at its date of acquisition is as follows:

Net assets acquired:	*HK$'000*
Trade receivables	2,528
Bank and cash balances	103
Other payables and accruals	(16)
Tax payable	(142)
Total identifiable net assets	2,473
Goodwill	13,052
	15,525
Satisfied by:	
11,500,000 ordinary shares of the Company	15,525
Net cash inflow arising on acquisition:	
Cash and cash equivalents acquired	103

The fair value of 11,500,000 ordinary shares of the Company issued as part of the consideration paid was determined on the basis of the closing market price of the Company's ordinary shares on the acquisition date. The fair value of the acquired identifiable assets and liabilities were valued by Valor Appraisal & Advisory Limited, an independent qualified professional valuer. The goodwill arising on the acquisition of the Target Company is attributable to the anticipated future operating synergies from the combination.

Included in the loss for the year is approximately HK$1,236,000 attributable to the additional business generated by the Target Company. Revenue for the year includes approximately HK$1,818,000 generated from the Target Company.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries *(Note)*	**-**	–
Right-of-use assets	**709**	2,585
Equity investments at fair value through other comprehensive income	**-**	1,023
Prepayments, deposits and other receivables	**587**	587
Total non-current assets	**1,296**	4,195
CURRENT ASSETS		
Amount due from subsidiaries *(Note)*	**236,768**	221,841
Prepayments, deposits and other receivables	**17,452**	24,696
Cash and bank balances	**961**	6,463
Total current assets	**255,181**	253,000
CURRENT LIABILITIES		
Other payables and accruals	**6,622**	6,607
Lease liabilities	**755**	1,866
Total current liabilities	**7,377**	8,473
NET CURRENT ASSETS	**247,804**	244,527
Total assets less current liabilities	**249,100**	248,722
NON-CURRENT LIABILITIES		
Lease liabilities	**–**	807
Bonds	**4,816**	4,547
Total non-current liabilities	**4,816**	5,354
NET ASSETS	**244,284**	243,368
CAPITAL AND RESERVES		
Share capital	**7,327**	6,177
Reserves *(Note 39(b))*	**236,957**	237,191
TOTAL EQUITY	**244,284**	243,368

Note: As at 31 December 2024, ECL for amounts due from subsidiaries, and investment in subsidiaries are assessed and impairment loss allowance of approximately HK$461,380,000 (31 December 2023: approximately HK$462,539,000) is made on the amounts due from subsidiaries and investment in subsidiaries based on the Company's internal and/or external credit rating.

39. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations.

(iii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(iv) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

39. RESERVES *(Continued)*

(b) The Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2023	158,186	4,064	–	56,937	219,187
Profit for the year	–	–	–	2,775	2,775
Other comprehensive loss for the year:					
– Change in fair value of equity investments at fair value through other comprehensive income	–	–	(5,978)	–	(5,978)
Total comprehensive (loss)/income for the year	–	–	(5,978)	2,775	(3,203)
Forfeitures of share options	–	(181)	–	181	–
Equity-settled share-base payment *(note 36)*	–	931	–	–	931
Issue of shares under placing *(note 35)*	13,540	–	–	–	13,540
Issue of shares under share swap *(note 35)*	6,736	–	–	–	6,736
At 31 December 2023 and 1 January 2024	**178,462**	**4,814**	**(5,978)**	**59,893**	**237,191**
Loss for the year	**–**	**–**	**–**	**(15,224)**	**(15,224)**
Other comprehensive loss for the year:					
– Change in fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**(1,019)**	**–**	**(1,019)**
Total comprehensive loss for the year	**–**	**–**	**(1,019)**	**(15,224)**	**(16,243)**
Forfeitures of share option	**–**	**(205)**	**–**	**205**	**–**
Equity-settled share-base payment *(note 36)*	**–**	**1,764**	**–**	**–**	**1,764**
Issue of share upon placing *(note 35)*	**14,375**	**–**	**–**	**–**	**14,375**
Expenses in issuance of shares under placing	**(130)**	**–**	**–**	**–**	**(130)**
Disposal of an equity investment at fair value through other comprehensive income	**–**	**–**	**6,997**	**(6,997)**	**–**
At 31 December 2024	**192,707**	**6,373**	**–**	**37,877**	**236,957**

39. RESERVES *(Continued)*

(c) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total borrowings divided by capital. Total borrowings included bond and bank and other loans. Capital represented the equity attributable to owners of the Company.

The Group's gearing ratio at 31 December 2024 and 2023 was as follows:

	2024	2023
	HK$'000	HK$'000
Bond	**(4,816)**	(4,547)
Bank and other loans	**(55,924)**	(60,486)
Total debt	**60,740**	65,033
Total equity	**(245,000)**	(260,940)
Gearing ratio	**25%**	25%

40. INVESTMENT IN JOINT VENTURES

	2024 **HK$'000**	2023 HK$'000
Cost of investment in joint ventures	***–**	*–
Share of loss in joint ventures	***–**	*–
	***–**	*–

* The balance represents an amount less than HK$1,000.

As at 31 December 2024 and 2023, the Group had interests in the following material joint operations:

Name of entity	**Form of entity**	**Place of operation**	**Proportion of ownership interests or participating shares held by the Group**		**Principal activities**
			2024	2023	
Peta Inc.	Limited liability company	BVI	**30%**	30%	Investment holding
Petaverse (Hong Kong) Limited	Limited liability company	Hong Kong	**30%**	30%	Dormant
Palm Karbon Inc	Limited liability company	BVI	**27.27%**	0%	Dormant

Note:

(a) On 15 June 2023, the Group has entered into a shareholders and cooperation agreement (the "JV Agreement") with an independent third party whereby the parties agreed to establish a joint venture company ("JV Company") to engage in the ownership and management of an e-Commerce platform and its respective membership and reward points program (collectively known as "Petaverse"). The business of the Petaverse focuses on the sales and marketing of pets-related products in the real world and in the Metaverse. Under the JV Agreement, the Group and the Independent Third Party will initially own 30% and 70% of the equity interest in the JV Company, respectively. No changes on the cooperation framework was noted for the years ended 31 December 2024 and 2023.

(b) In January 2024, the Group has entered into an agreement ("JV Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi (the "JV Business"). The joint venture has not started business for the year ended 31 December 2024.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued and paid-up capital/registered capital	Percentage of ownership interest		Principal activities
			2024	2023	
China Information Technology Development (Hong Kong) Limited	Hong Kong	HK$100	**100%**	100%	Office management
Macro Systems Limited	Hong Kong	HK$1,050,000	**84%**	84%	Provision of system integration and maintenance services in Hong Kong
Macro Systems (Guangzhou) Co., Ltd.**	PRC	HK$1,300,000	**84%**	84%	Provision of system integration and maintenance services in the PRC
DataCube Research Centre	Hong Kong	HK$100	**80%**	80%	Big data application
Logic Network Limited	Hong Kong	HK$10,000	**51%**	51%	Provision of telecommunications consultancy, cloud services, managed IT services, support consultancy and intelligent retail system services
Guangzhou Xinfeng Investment Consultancy Company Limited**	PRC	HK$101,400,000	**100%**	100%	Assets acquisition, management and consultancy services
Global Shine Investment Limited	Hong Kong	HK$1	**100%**	100%	Securities trading

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

* *The amount of registered capital is HK$10 million and it is not yet injected.*

** *Wholly-foreign-owned enterprises.*

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

The table below shows details of Macro China Holdings Limited and DataCube Research Centre Limited, the non-wholly owned subsidiaries of the Group at 31 December 2024 and 2023 that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Loss allocated to non-controlling interests HK$'000	Balance of non-controlling interests HK$'000
31 December 2024				
Macro China Holdings Limited	BVI	16%	(321)	(3,362)
DataCube Research Centre Limited	Hong Kong	20%	(407)	(7,084)
31 December 2023				
Macro China Holdings Limited	BVI	16%	(136)	(3,078)
DataCube Research Centre Limited	Hong Kong	20%	(1,860)	(6,677)

Summarised consolidated financial information prepared in accordance with HKFRSs before intragroup eliminations in respect of the subsidiaries that have material non-controlling interests are set out below.

	Macro China Holdings Limited and its subsidiaries	
	2024	2023
	HK$'000	HK$'000
Non-current assets	**7,130**	8,188
Current assets	**5,703**	3,794
Current liabilities	**(33,657)**	(31,221)

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

	Macro China Holdings Limited and its subsidiaries	
	2024	2023
	HK$'000	HK$'000
Revenue	**22,306**	30,199
Loss and total comprehensive expense	**(2,002)**	(853)
Cash flows (used in)/from operating activities	**(1,632)**	267
Cash flows used in investing activities	**(12)**	(25)
Cash flows from/(used in) financing activities	**1,718**	(358)

	DataCube Research Centre Limited	
	2024	2023
	HK$'000	HK$'000
Non-current assets	**354**	360
Current assets	**1,576**	1,825
Current liabilities	**(37,347)**	(35,570)

	DataCube Research Centre Limited	
	2024	2023
	HK$'000	HK$'000
Revenue	**4,222**	3,411
Loss and total comprehensive expense	**(2,033)**	(9,298)
Cash flows used in operating activities	**(2,472)**	(8,576)
Cash flows used in investing activities	**(1)**	(25)
Cash flows from financing activities	**1,383**	9,338

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions

As described in note 37 to the consolidated financial statements, during the year ended 31 December 2023, the Group disposed of the entire issued share capital of Rosy Time Investments Limited and Rosy Ridge at the considerations of HK$24,500,000 and HK$28,000,000, respectively, of which HK$45,910,000 were recorded in prepayments, deposits and other receivables.

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Promissory note payables	Bonds	Lease liabilities	Bank and other loans	Loan from a shareholder	Amount due to a director	Total Liabilities from financing activities
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
1 January 2023	66,288	–	4,924	67,349	3,323	700	142,584
Change in cash flows	–	8,252	(2,608)	(5,058)	(3,345)	(700)	(3,459)
Non-cash changes							
– imputed interest	2,799	121	–	–	–	–	2,920
– gain on initial recognition of bonds	–	(3,826)	–	–	–	–	(3,826)
– loss on modification of lease liabilities	–	–	2	–	–	–	2
– interest charged	–	–	208	–	22	–	230
– additions of lease liabilities	–	–	504	–	–	–	504
– disposal of subsidiaries	(69,352)	–	–	–	–	–	(69,352)
– exchange differences	265	–	–	(1,805)	–	–	(1,540)
At 31 December 2023 and 1 January 2024	**–**	**4,547**	**3,030**	**60,486**	**–**	**–**	**68,063**
Change in cash flows	**–**	**–**	**(2,536)**	**(4,086)**	**–**	**–**	**(6,622)**
Non-cash changes							
– imputed interest	**–**	**269**	**–**	**–**	**–**	**–**	**269**
– gain on modification of lease liabilities	**–**	**–**	**(102)**	**–**	**–**	**–**	**(102)**
– interest charged	**–**	**–**	**112**	**–**	**–**	**–**	**112**
– additions of lease liabilities	**–**	**–**	**1,046**	**–**	**–**	**–**	**1,046**
– exchange differences	**–**	**–**	**–**	**(476)**	**–**	**–**	**(476)**
At 31 December 2024	**–**	**4,816**	**1,550**	**55,924**	**–**	**–**	**62,290**

43. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap of HK$1,500 per month. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

43. RETIREMENT BENEFIT SCHEMES *(Continued)*

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. No forfeited contribution is available to reduce the contribution payable in future years.

During the year ended 31 December 2024, the total contribution to the defined contribution schemes charged to profit or loss amounted to approximately HK$1,229,000 (2023: approximately HK$1,295,000).

Long service payment liabilities

Obligation to long service payments ("LSP") under Hong Kong Employment Ordinance

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) × 2/3 × Years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment Ordinance will come into effect prospectively from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The directors of the Company consider that the impact of the LSP obligation due to the Amendment Ordinance has no material effect on the results and the financial position of the Group.

44. RELATED PARTY TRANSACTIONS

Other than those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with its related parties during the year:

All members of key management personnel of the Group are the directors of the Company and their remuneration is disclosed in Note 9.

Five Year Financial Summary

31 December 2024

A summary of the results from continuing operations and discontinued operation and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published annual report and audited financial statements is set out below:

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Continuing operations					
REVENUE	**41,485**	49,228	59,324	61,426	38,508
Loss before tax	**(38,375)**	(22,974)	(87,253)	(90,825)	(11,839)
Income tax (expense)/credit	**(8)**	80	1,388	139	424
Loss for the year from continuing operations	**(38,383)**	(22,894)	(85,865)	(90,686)	(11,415)
Discontinued operation					
(Loss)/profit for the year from discontinued operation	**–**	(1,879)	253	270	468
LOSS FOR THE YEAR	**(38,383)**	(24,773)	(85,612)	(90,416)	(10,947)
Attributable to:					
Owners of the Company	**(37,634)**	(22,755)	(82,295)	(90,326)	(9,758)
Non-controlling interests	**(749)**	(2,018)	(3,317)	(90)	(1,189)
	(38,383)	(24,773)	(85,612)	(90,416)	(10,947)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**327,904**	349,884	468,784	487,862	560,066
TOTAL LIABILITIES	**(82,904)**	88,944	(192,593)	(133,600)	(144,480)
NET ASSETS	**245,000**	260,940	276,191	354,262	415,586
Equity attributable to:					
Owners of the Company	**255,531**	270,759	284,021	358,859	419,811
Non-controlling interests	**(10,531)**	(9,819)	(7,830)	(4,597)	(4,225)
	245,000	260,940	276,191	354,262	415,586

Particulars of Property Interests

Particulars of property interests held by the Group as at 31 December 2024 are as follows:

Location	Use of Investment Properties	Tenure	Attributable interest of the Group
Investment properties			
A composite building situated in No. 123 Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC	Commercial, office and other use permitted by the laws and regulations of the PRC	Medium	100%

中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8178)

2025 Annual Report

CHARACTERISTICS OF GEM (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of China Information Technology Development Limited (the "Company" or "CITD") 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 (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively the "Group"). 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.

This report will be available on the Company's website http://www.citd.com.hk and will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at http://www.hkexnews.hk for at least 7 days from the date of its posting.

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)
Mr. Chu Joshua Allen Kiu Wah
Mr. So Han Meng Julian

NON-EXECUTIVE DIRECTOR

Mr. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Hoi Kuen
Mr. Chu Wun Chiu
Ms. Do Do Chan (Appointed on 17 November 2025)
Dr. Chen Shengrong (Resigned on 17 November 2025)

COMPANY SECRETARY

Ms. Lam Mei Wai Michelle

COMPLIANCE OFFICER

Mr. Chang Ki Sum Clark

AUTHORISED REPRESENTATIVES

Mr. Wong King Shiu Daniel
Ms. Lam Mei Wai Michelle

NOMINATION COMMITTEE

Mr. Wong Hoi Kuen *(Chairman)*
Mr. Chu Wun Chiu
Ms. Do Do Chan (Appointed on 17 November 2025)
Dr. Chen Shengrong (Resigned on 17 November 2025)

REMUNERATION COMMITTEE

Mr. Wong Hoi Kuen *(Chairman)*
Mr. Chu Wun Chiu
Ms. Do Do Chan (Appointed on 17 November 2025)
Dr. Chen Shengrong (Resigned on 17 November 2025)

AUDIT COMMITTEE

Mr. Wong Hoi Kuen *(Chairman)*
Mr. Chu Wun Chiu
Ms. Do Do Chan (Appointed on 17 November 2025)
Dr. Chen Shengrong (Resigned on 17 November 2025)

AUDITOR

Prism Hong Kong Limited
(Formerly known as Prism Hong Kong and Shanghai Limited)
Certified Public Accountants
Registered Public Interest Entity Auditor
(Appointed on 28 June 2024)
ZHONGHUI ANDA CPA Limited (Retired at the annual general meeting on 28 June 2024)

LEGAL ADVISOR

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Public Bank (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road
Kwun Tong, Hong Kong

REGISTERED OFFICE

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

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

STOCK CODE

8178

COMPANY WEBSITE

www.citd.com.hk

Chairman's Statement

Dear Shareholders,

I am pleased to present the annual results of China Information Technology Development Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2025 (the "Year").

FINANCIAL SUMMARY

During the Year, the Group recorded a revenue of approximately HK$34,464,000 representing a decrease of approximately 16.9% from approximately HK$41,485,000 in the year ended 31 December 2024 (the "Corresponding Year"). Loss for the Year attributable to the equity owners of the Company was approximately HK$99,459,000 (2024: loss of approximately HK$37,634,000). The increase in loss is mainly due to (i) the increase in fair value loss on the investment properties from approximately HK$20,617,000 in 2024 to approximately HK$54,225,000 in 2025; (ii) the increase in impairment loss under expected credit losses model from approximately HK$987,000 in 2024 to approximately HK$20,330,000 in 2025 regarding the dispute between the Group and the tenant for the investment properties; and (iii) the decrease in revenue generated from the investment properties of approximately HK$5,364,000. The Group's results are discussed in detail under the section headed "Management Discussion and Analysis" in this annual report.

REVIEW AND OUTLOOK

The global economic landscape in 2025 remained uncertain due to persistent geo-political tensions, inflationary pressures, and fluctuating monetary policies. Supported by government measures to stimulate technological innovation and domestic consumption, the economy of Hong Kong and China showed signs of modest recovery.

Meanwhile, the accelerated pace of digital transformation continued to reshape global industries in 2025, driving a strong appetite for intelligent and adaptive solutions. The global artificial intelligence ("AI") market surpassed USD 220 billion during the Year, marking steady growth amid increasing adoption of generative AI, automation, and data-driven technologies. The Company maintained a prudent yet forward-looking business strategy and strived for financial stability with strategic expansion. The Group continued to explore collaborations and potential acquisitions, establishing alliances with industry experts to create synergies without pressure on cash flow or resources. The Company was focused on strengthening its technology portfolio in AI, cloud computing, and Web 3.0, enabling us to deliver advanced and efficient solutions that meet our clients' evolving needs.

During the Year, the Group successfully integrated Popsible Limited, which the Company acquired in 2024. It provides tailored information technology and public relations services aligned with clients' strategic goals. This acquisition enhanced operational synergies across our two other subsidiaries, helped diversify revenue streams, and improved resource utilisation, helped positioning the Group for future growth. Meanwhile, the Group also strived to reinforce its presence in the Middle East through collaborations in the United Arab Emirates ("UAE"). With the experience and AI technology applied in train bogie maintenance jointly developed by DataCube and a public transportation company, the Group has been liaising with various business partners in different areas like UAE and Egypt, for projects utilizing AI for predictive maintenance and optimization of air traffic management, airport train safety. The Group is also developing a vessel traffic management system which is a sophisticated maritime surveillance and management system that helps monitor and regulate vessel traffic in busy waterways or ports.

Chairman's Statement

Entering into 2026, the geo-political landscape has even become more complex and intense. Nevertheless, Hong Kong and Chinese governments have been continuously supportive to innovation and digital economy development and the IT industry. We understand that to persistently improve our products and services for our customers and keep in pace with the technological advancement requires injection of resources and manpower, the Company shall therefore uphold a prudent financial management strategy and look for necessary funding to support any potential projects and the Group's business developments in the UAE and expansion of technical team in Hong Kong as appropriate. The Company shall endeavor to maintain a healthy liquidity position while pursuing strategic investment and business projects that align with its long-term growth objectives.

APPRECIATION

I would like to take this opportunity to extend my sincere gratitude to the shareholders of the Company ("Shareholders"), customers and business partners of the Group for their continuous support and trust and thank my fellow directors for their concerted effort and insights throughout the past years. We treasure the efforts from the Group's management team and the unwavering commitment of our staff. On behalf of the Board, I would like to express my sincere appreciation to our management team and staff for their dedication and commitment.

Wong King Shiu, Daniel
Chairman and Chief Executive Officer
China Information Technology Development Limited

Management Discussion and Analysis

Business Review

The rapid digital transformation across industries has driven an unprecedented demand for innovative solutions. Seeing a huge potential for growth, during the Year, the Company had continued to focus on technology advancements in cloud computing, Web 3.0 and AI etc in order to meet the evolving needs of our clients.

The Group has been vigilant of the uncertainties and challenges while taking opportunities to cement and expand its AI and other IT businesses with prudent risk management during the Year. The Group has been actively seeking for potential business opportunities and exploring new markets and maintaining its financial stability.

Subscription of New Shares Under General Mandate

In November 2024, the Company entered into the subscription agreement with the A M K M INVESTMENTS L.L.C, a company incorporated in the UAE with limited liability (the "Subscriber"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 12,353,000 subscription Shares ("Subscription Shares") at the subscription price of HK$6.31 per subscription share (the "Subscription Agreement"). The Subscription Shares would be issued and allotted under the general mandate granted to the Directors by the Shareholders at the annual general meeting on 28 June 2024 ("2024 AGM").

The Subscription Shares represent (i) approximately 16.86% of the existing issued share capital of the Company as at the date of the report; and (ii) approximately 14.43% of the enlarged issued share capital of the Company immediately following the completion Subscription, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of the announcement dated 7 November 2024.

The Subscriber undertakes to the Company that it shall, and shall procure its nominee to, remain the sole beneficial owner of the Subscription Shares which are not subject to any encumbrances, and shall not, without the prior written consent of the Company, dispose or procure its nominee to dispose any of the Subscription Shares. The Subscriber further undertakes that, without the prior written consent of the Company, the Subscriber shall not and shall procure its nominee not to pledge, charge, or create encumbrance over the Subscription Shares during the lock-up period (collectively referred as the "Lock Up"). The Lock-Up shall automatically expire if the Proposed Dual Listing does not take place on or before the third anniversary of the Subscription Agreement or any other date agreed by the parties of the Subscription Agreement in writing.

Assuming that all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription is expected to be US$9,993,260 (equivalent to approximately HK$77.95 million) (together with SFC transaction levy, Stock Exchange trading fee and other levies and fees as may be payable by the Subscriber). The net proceeds from the Subscription, after deducting all the relevant expenses, will amount to approximately HK$77.75 million, which represents the net issue price of approximately HK$6.30 per Subscription Share. The intended use of the net proceeds shall be (i) 70% of the net proceeds (equivalent to approximately HK$54.43 million) will be used for the general working capital in the UAE, including but not limited to, the expenses for the setup of the office and the business development in the UAE; and (ii) 30% of the net proceeds (equivalent to approximately HK$23.32 million) will be used for the general working capital in Hong Kong, including but not limited to, the office rents, salaries and administrative expenses in Hong Kong.

As the Subscriber has yet to comply with its obligations of the Subscription Agreement as at 11 August 2025, the Company would not proceed with the Subscription, and the Completion Date would not be further extended.

Details of the above Subscription and the Subscription Agreement are set out in the announcements dated 7 November 2024, 5 December 2024, 2 January 2025, 3 February 2025, 3 March 2025, 3 April 2025, 6 May 2025, 6 June 2025, 7 July 2025 and 11 August 2025.

Proposed Disposal of Property

In June 2025, Guangzhou Xinfeng Investment Consultancy Company Limited*（廣州信豐投資諮詢有限公司）as the Vendor (the "Vendor"), an indirect wholly-owned subsidiary of the Company, and Guangdong Xinjingsheng Industrial Investment Co., Ltd.*（廣東新景晟產業投資有限公司）as the Purchaser (the "Purchaser"), an independent third party (as defined by GEM Listing Rules), entered into the Sale and Purchase Agreement (the "Agreement"), pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Property at the consideration of RMB150,000,000 (equivalent to approximately HK$163,800,000) (the "Disposal").

Given the challenging market condition and increasing competition of office lease market in Guangzhou, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property and reallocate its financial resources to other business needs, as well as, to increase the general working capital of the Group.

As one or more of the relevant applicable percentage ratios in respect of the Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the notification, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

After due and careful consideration, the Purchaser decided not to proceed with the Disposal and, on 30 July 2025, the Company received the termination agreement (the "Termination Agreement") dated 28 July 2025 entered into by the Vendor and the Purchaser to cease and terminate the Sale and Purchase Agreement and the transactions contemplated thereunder effective from 16 July 2025 after arm's length negotiations.

It is of the view that the termination of the Disposal shall have no material adverse impact on the financial position and operation of the Group.

* *The English translation of the Chinese name is for information only and should not be regarded as the official English translation of such name.*

The Group will continue to look for potential purchaser(s) for the Property and will publish further announcement(s) in compliance with the GEM Listing Rules as and when appropriate if the terms for the disposal of the Property to such potential purchaser(s) have been finalised.

Details of the Agreement, the Disposal and the termination are set out in the announcements dated 19 June 2025, 14 July 2025 and 30 July 2025.

Rights Issue on the Basis of Three Rights Shares for Every Eight Existing Shares Held on the Record Date On a Fully Underwritten Basis

On 13 August 2025, the Company proposed to raise, before expenses, not less than approximately HK$35.44 million (assuming no change in the number of Shares in issue on or before the Record Date), by way of the rights issue of issuing up to 27,474,463 rights Shares and not more than approximately HK$38.04 million (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the outstanding share options, on or before the Record Date), by way of the Rights Issue of issuing up to 29,489,418 Rights Shares, at the Subscription Price of HK$1.29 per Rights Share, on the basis of three (3) Rights Shares for every eight (8) existing Shares held by the Qualifying Shareholders on the Record Date ("Rights Issue").

Meanwhile, on 13 August 2025, the Company and RaffAello Securities (HK) Limited as the Underwriter (the "Underwriter") entered into the underwriting agreement ("Underwriting Agreement"), whereby, subject to the terms and conditions thereof, in particular the fulfilment of the conditions contained therein, the Underwriter has conditionally agreed to underwrite the underwritten Shares of not less than 27,474,463 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 29,489,418 Rights Shares (assuming no change in the number of Shares in issue, other than as a result of the issue of Shares upon full exercise of the Outstanding Share Options, on or before the Record Date). The Rights Issue was fully underwritten by the Underwriter.

Subsequently, on completion of the Rights Issue which took place on 8 October 2025, 27,474,463 Rights Shares were allotted and issued under valid acceptances of Provisional allotment letters and pursuant to the Underwriting Agreement.

Details of the Rights Issues are set out in the announcements dated 13 August 2025, 6 October 2025 and 8 October 2025 as well as the prospectus dated 11 September 2025.

The gross proceeds from the Rights Issue are approximately HK$35.44 million and the net proceeds from the Rights Issue after deducting the underwriting commission and all other relevant expenses from the Rights Issue are estimated to be approximately HK$32.05 million.

As at 31 December 2025, the Group used (i) approximately HK$713,000 for rental and building management fee and (ii) approximately HK$5,365,000 for salaries; and (iii) HK$1,450,000 for repayment of professional fees and other administrative expenses as intended. The remaining net proceeds were kept in the bank of the Group. The Group expects that the remaining net proceeds to be fully utilized on or before April 2027 as disclosed in the prospectus of Rights Issue.

Placing of New Shares Under General Mandate

On 19 November 2025, the Company and Glory Sun Securities Limited (the "Placing Agent"), entered into the placing agreement ("Placing Agreement"), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 14,000,000 placing shares ("Placing Share(s)"), to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the Placing Price of HK$0.28 per Placing Share ("Placing"). The closing price of the Company's shares on 19 November 2025 was HK$0.33. The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

On 5 December 2025, all the conditions set out in the Placing Agreement had been fulfilled. The Placing was completed on 5 December 2025 in accordance with the terms of the Placing Agreement. An aggregate of 14,000,000 Placing Shares, representing approximately 12.20% of the issued share capital of the Company immediately after completion of the Placing, have been successfully placed to not less than six Placees at the Placing Price of HK$0.28 per Placing Share.

The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) were approximately HK$3,881,000. As at the date of this report, the Company has fully utilized the net proceeds from the Placing for (i) the repayment of maturing indebtedness; and (ii) general working capital of the Group as intended.

Details of the Placing and Placing Agreement are set out in the announcements dated 19 November 2025 and 5 December 2025.

Disposal of 100% Interests in a Subsidiary

On 29 December 2025, Ms. Sin Ka Ka, an independent third party, as the purchaser ("Ms. Sin") and the Company as vendor entered into the disposal agreement (the "Disposal Agreement"). Pursuant to the Disposal Agreement, Ms. Sin has agreed to acquire, and the Vendor has agreed to sell the Sale Share of 1 share with a par value of US$1.00 of Rosy Depot Limited, a wholly-owned subsidiary of the Company (the "Target Company") and the Sale Loans for the consideration of HK$4,000,000 (the "Disposal of Subsidiary"). The Target Company is an investment holding company and its principal asset is approximately 8.74% equity interests of Global Engine Group Holding Limited, a company incorporated in BVI with limited liability and listed on the Nasdaq (Stock Code: GLE).

The net cash proceeds from the Disposal of Subsidiary, after deducting the estimated expenses in relation to the Disposal of Subsidiary, will amount to approximately HK$3,990,000. The Company intends to apply the net proceeds of the Disposal of Subsidiary as general working capital of the Group.

The Disposal of Subsidiary was completed on 31 December 2025. Details of the above Disposal of Subsidiary are set out in the announcements dated 29 December 2025 and 2 February 2026.

Macro Systems

During the Year, Macro Systems Limited allied with various top-class industry elites to continuously promote enterprise market's digital transformation in Hong Kong. Macro Systems has continued to be the "Nutanix Certified Sales Expert" and gained "Master Partner", the highest tier of partnership in the Nutanix Partner Program. Besides, Macro Systems has been the "Gold Partner" in Sangfor Technology Channel Partner, IBM PartnerWorld Program "Silver Partner" as well as "VMware Partner Connect Program – Advanced Partner". These awards and partnerships issued by various world-class partners are solid affirmation of our high quality services. Awarded by ISO 27001 & ISO 20000, our technical talents in Asia and North America are committed to serving all clients with high quality, professional, and reliable solution continuously and always.

Meanwhile, we continued to utilise our scenario driven business agility zone at our experience centre in Tsimshatsui to allow our customers to experience the business transformation we bring with secured intelligence and technology. It allows clients to have a first-hand experience of smart office with high speed connection at any location. Not only does it help business to be performed in a seamless and agile way from office to anywhere by virtual workspace, it helps business to save energy and improve environment. We believe the experience zone can successfully strengthen our clients' confidence in deploying virtual workspace solution and facilitate the related business project progress.

During the Year, Macro Systems recorded a revenue of approximately HK$19,799,000, representing a decrease of 11.2% as compared to the revenue of approximately HK$22,306,000 during the corresponding year of 2024. The business of Macro Systems was stable compared to the last corresponding year.

DataCube

During the Year, DataCube Research Centre Limited ("DataCube"), continued to use advanced artificial intelligence technology to develop a sophisticated algorithm capable of collecting real-time vibration frequency data from train bogies and cooperated with a public transportation company. It effectively predicts abnormal conditions, thereby improving monitoring and maintenance efficiency. Meanwhile, it has also continued to promote data modelling and big data analysis, as well as developing related technologies to expedite the adoption and drive the evolution of AI and business intelligence across different industries and regions with its unique advanced core technologies of the AI Book, AI Manager and BI Canvas. As such, DataCube provides the technological platforms and all related resources to drive the development of smart cities in Asia. Currently, the AI Book and BI Canvas developed by DataCube serve clients in the PRC.

The smart logistics and customer relationships management system (the "CRM system"), one of the branches of the AI Booster solution services, is a simplified AI solution targeting small to medium-sized enterprises without AI specialists. It is an end-to-end ecosystem that provides leading-edge solutions for model development, deployment, monitoring and evolution.

According to the data collected by DataCube, the smart logistics and CRM system of the AI Booster solution services help customers of the Group to select the optimal transportation by providing real-time information sharing so that on-time delivery can be achieved. It can also monitor exceptional changes of the business while providing more personalised recommendation to the customers. The algorithms and data management technologies used in the AI Book and BI Canvas can create synergy for the development of AI Booster and the smart logistics and CRM system, allowing the Group to seamlessly streamline its entire data process and leverage cutting-edge AI technologies. Therefore, the Company has been injecting resources in research and development on its AI technology in the smart logistics and CRM system to transform enormously complex data with automated machine learning platforms and augmented analytics into useful insights which enables the Group to provide timely services to its customers. The system shall also provide automated sales and customer service interactions and other logistics management services.

During the Year, DataCube contributed a revenue of approximately HK$4,963,000 representing an increase of 17.6% as compared to the revenue of approximately HK$4,222,000 during the corresponding year of 2024. During the Year, DataCube focused on the cooperation with the mass rapid transit company and obtained higher amount of revenue from it.

Popsible

Popsible Limited ("Popsible") is a service provider that specializes in the areas of cloud technology and digital marketing. It provides information technology services in relation to a cloud-based solution for customer loyalty management and data analysis. Popsible also prioritizes charitable fundraising and NFT care initiatives related to environmental, social, and corporate governance, benefiting various charity organizations.

During the Year, Popsible contributed a revenue of approximately HK$3,601,000.

FUTURE PROSPECT

Shadowed by the increasing geopolitical complexity and the rapid technological advancement, the business environment remains challenging. Against this backdrop, the governments of Hong Kong and Mainland China continue to demonstrate strong commitment to fostering innovation, accelerating digital transformation, and supporting sustainable growth across the information technology sector.

Building on this momentum, the Group will continue to strengthen its technological capabilities and product offerings, ensuring that our services and products remain competitive and relevant to market needs. We will actively explore the integration of AI to enhance operational efficiency, optimize customer experiences, and deliver innovative applications that connect technology with everyday life.

To support these initiatives, the Group is constantly seeking ways to enhance its operational efficiency and the profitability of its business. The Group will also proactively explore new opportunities in Hong Kong and the PRC as well as new markets like UAE to expand its customer base and market share which will boost value to its shareholders. Meanwhile, the Group shall strive to resolve the dispute in relation to the Property in PRC as disclosed in the section "Material Litigation and Arbitration" under the Director' Report. The Group remains dedicated to preserving a healthy liquidity position while pursuing high-potential investments that reinforce its long-term goal for sustainable business growth.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue for 2025 amounted to approximately HK$34,464,000, decreased by 16.9% from approximately HK$41,485,000 in 2024. The decrease in revenue is mainly due to the dispute between the Group and the tenant regarding the investment properties in the PRC and revenue from the investment properties decreased of approximately HK$5,364,000.

Cost of sales and services

The Group had a total cost of sales and services of approximately HK$15,998,000 in 2025, which decreased by 16.2%, compared with approximately HK$19,087,000 in 2024. The decrease is mainly due to less trading of computer hardware and software during the Year.

Gross profit

The gross profit of the Group in 2025 amounted to approximately HK$18,466,000 which decreased by approximately HK$3,932,000, compared with approximately HK$22,398,000 in 2024. The decrease is due to decrease of the revenue from investment properties in PRC.

Other income and gains

During the financial year ended 31 December 2025, the Group generated other income and gains of approximately HK$40,000 (2024: approximately HK$1,031,000).

Selling and distribution expenses

The Group's selling and distribution expenses in 2025 amounted to approximately HK$749,000, which decreased by HK$831,000, compared with approximately HK$1,580,000 in 2024.

Administrative expenses

Administrative expenses of the Group in 2025 were approximately HK$39,591,000, increased by 16.2%, compared to approximately HK$34,076,000 in 2024. The increase is due to increase in legal and professional fees for publication of circulars and announcements in relation to the corporate actions and provision of long services payment expense of the Company during the year.

Fair value loss on investments at fair value through profit or loss

As at 31 December 2025, the Group held an investment portfolio comprising of marketable securities that are outside Hong Kong. The fair value loss from the portfolio amounted to approximately HK$102,000 (2024: loss of approximately HK$202,000).

Change in fair value of investment properties

As at 31 December 2025, the fair value of investment properties decreased by approximately HK$54,225,000 (2024: approximately HK$20,617,000).

Finance costs

Finance costs of the Group for 2025 were approximately HK$2,246,000, a decrease of approximately HK$332,000, comparing to approximately HK$2,578,000 in 2024.

Loss attributable to owners

The Group's loss attributable to owners of the Company was approximately HK$99,459,000 for 2025 as compared to approximately HK$37,634,000 in 2024. The increase in loss is mainly due to (i) increase in fair value loss on the investment properties from approximately HK$20,617,000 in 2024 to approximately HK$54,225,000 in 2025. (ii) the increase in impairment loss under expected credit losses model from approximately HK$987,000 in 2024 to approximately HK$20,330,000 in 2025 regarding the dispute between the Group and the tenant for the investment properties; and (iii) the decrease in revenue generated from the investment properties of approximately HK$5,364,000.

FINANCIAL POSITION

Liquidity and financial resources

As at 31 December 2025, cash and bank balances held by the Group increased from approximately HK$5,371,000 as of 31 December 2024 to approximately HK$14,933,000.

As at 31 December 2025, the Group's total borrowings amounted approximately HK$60,906,000 (2024: approximately HK$60,740,000). The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.36 (2024: 0.25).

For the year ended 31 December 2025, the Group had capital expenditure of approximately HK$43,000 (2024: approximately HK$39,000) for addition of property, plant and equipment.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries

On 29 December 2025, Ms. Sin, an independent third party, as the purchaser and the Company as vendor entered into the Disposal Agreement. Ms. Sin has agreed to acquire, and the Company has agreed to sell 100% equity interest of Rosy Depot Limited, a wholly-owned subsidiary of the Company and the Sale Loans for the consideration of HK$4,000,000. Rosy Depot Limited is an investment holding company and its principal asset is approximately 8.74% equity interests of Global Engine Group Holding Limited, a company incorporated in BVI with limited liability and listed on the Nasdaq (Stock Code: GLE).

There is no plans for material investments or capital assets as at the date of this report.

Capital structure

During the year ended 31 December 2025, the share capital of the Company increased from 73,265,237 shares as at 1 January 2025 to 114,739,700 shares as at 31 December 2025, details of the changes are as below:

(1) On 8 October 2025, 27,474,463 Rights Shares were allotted and issued, on the basis of three (3) Rights Shares for every eight (8) Existing Shares, details of which are set out in the prospectus of the Company dated 11 September 2025.

(2) On 5 December 2025, 14,000,000 Shares were issued and allotted pursuant to the placing agreement dated 19 November 2025, details of which are disclosed in the announcement of the Company dated 19 November 2025.

As at 31 December 2025 and as at the date of this report, there are a total of 114,739,700 (2024: 73,265,237) issued shares of the Company of par value of HK$0.1 each.

The details of the changes in capital structure of the Company during the year are set out in Note 33 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. To their best of knowledge and belief, the Directors consider that the followings are the key risks and uncertainties identified by the Group as at the date of this report.

Risks relevant to the Group's business

Market competition and innovation risk

The internet and technology industries are highly competitive with rapid product updates and replacements, and the development of AI-related technologies is progressing rapidly. The development of technologies brings evolutional changes to the existing business models and brings in more new players into the market. The existing market competition landscape may face major changes. Therefore, how to promote innovative and sustainable social values through innovation in technology, product and business model is one of the key challenges of the Company. If the Group is unable to continue to achieve innovation in technology, product and business model, the Group's existing business and future growth potential may be adversely affected.

Regulatory and compliance risk

As the Group continuously expands its businesses, the Group must abide by and comply with the relevant applicable laws and regulations in different jurisdictions, including but not limited to laws and regulations relating to privacy and data protection and labour protection and continue to pay attention to changes in industry laws and regulations. In addition, changes in international circumstances may affect the development of global policies and regulations and impact the development of various industries across different regions. If the Group fails to comply with the evolving legal regime, particularly those relating to privacy and data protection and labour protection, the Group may be subject to penalties, rectification orders, substantial fines, potentially significant monetary damages or suspensions in the Group's business operations.

Risks relevant to the macro environment which may affect the Group's business

Foreign Exchange Rates Risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Price Risk

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

Risk relevant to the Group itself

Liquidity Risk

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

EMPLOYEES AND REMUNERATION POLICIES

There were a total of 59 employees in the Group as of 31 December 2025 (2024: 70 employees). Total expenses on employee benefits amounted to approximately HK$24,291,000 for the year ended 31 December 2025 (2024: approximately HK$24,216,000 of which HK$1,764,000 is related to equity-settled share-based payment). The management believes the remuneration packages offered by the Group to its employees are competitive.

The Remuneration Committee of the Company recommends the level of remuneration for Directors, subject to approval by the Board. The primary goal of the remuneration policy with regard to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. In order to determine the level of remuneration paid to the members of the Board, market rates and factors such as time commitment, responsibilities of directors and the Group's performance are taken into account. As part of the remuneration package, Board members may be granted a certain number of share options under share incentive schemes adopted by the Company from time to time. Such securities may be granted upon the recommendation of the Remuneration Committee and will be subject to approval by the Board or the Shareholders (if necessary).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and the remuneration structure of employees that comprises of basic wage, allowances, benefits and others, and grants employees share options as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance on behalf of its employees in PRC in accordance with the relevant laws and regulations requirements of the PRC. The emoluments payable to employees of the Group are determined based on their responsibilities, qualifications, experiences and the role taken as well as the industry practices. Other benefits to the employees of the Group include, among other things, share options. Details of the shares options granted are set out in the section headed "Share Option Scheme" in this annual report.

REDEMPTION, PURCHASE OR CANCELLATION OF THE COMPANY'S REDEEMABLE SECURITIES

Neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any of the Company's redeemable securities during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR TREASURY SHARES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the GEM Listing Rules)).

EVENTS AFTER REPORTING PERIOD

Save as disclosed in this annual report, there are no other important events affecting the Group that has taken place subsequent to the Year and up to the date of this report.

Biographical Information of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. WONG King Shiu, Daniel ("Mr. Daniel Wong"), aged 66, has been appointed as the chairman of the Board and chief executive officer of the Company with effect from 25 November 2019. He was the authorised representative and the process agent of the Company from 12 November 2020 to 31 March 2021. He has been appointed as the authorized representative of the Company again on 28 June 2024.

He has over 13 years of experience in natural resources industry and served as an executive director in a various natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. Mr. Daniel Wong joined the Group on 16 August 2017.

Mr. CHU Joshua Allen Kiu Wah ("Mr. Joshua Chu"), aged 39, has been appointed as executive Director with effective from 28 June 2024, He is a qualified lawyer and law lecturer in Hong Kong. In addition to his legal role, Mr. Joshua Chu is currently serving as Senior Consultant with Prosynergy. He is also serving as Senior Consultant, Legal Affairs and Strategic Growth of NewGenIVF Group (Nasdaq: NIVF) from 26 December 2025.

Aside from his professional roles, Mr. Joshua Chu also serves as the current Co-Chair of the Hong Kong Web3 Association, legal advisor for Women in Web3 Hong Kong and director at Corporate Counsel Hong Kong Association.

Mr. Joshua Chu graduated from the University of Texas at Dallas, USA, with a Bachelor of Science degree in Business Administration and Management in May 2009 and a Master of Science degree in Healthcare Management, Business Administration and Management in May 2010. Subsequently, Mr. Joshua Chu obtained his Juris Doctor degree (Distinction) and Postgraduate Certificate in Laws from the City University of Hong Kong in October 2014 and July 2015, respectively. Mr. Joshua Chu was officially admitted as a qualified solicitor in Hong Kong since March 2018 and is a member of the Law Society of Hong Kong.

Mr. SO Han Meng Julian, aged 54, has been appointed as executive Director with effective from 1 November 2024. Mr. So obtained his degree of Bachelor of Laws from The National University of Singapore. Mr. So is qualified as a solicitor in Singapore, England and Wales and Hong Kong.

He possesses ample experiences in the financial industry, specialising in banking, structured finance, securitisation and derivatives. He is currently Regulatory Consultant of Prosynergy Consulting Limited, a Hong Kong boutique consulting firm that acts as the trusted advisor of financial institutions, fintechs and other companies. He is also Group Chief Executive Officer of Invess Inc., a decentralized financial institution with a vision to build an investment bank, an asset management company and an exchange using decentralisation technologies. He is an executive director of China e-Wallet Payment Group Limited, (a company delisted on the Stock Exchange (Stock Code: 0802) on 16 March 2026) since 28 October 2025.

Mr. So was the Chief Advisor to the Board of the Company from October 2023 to October 2024. He was also the Non Executive Vice Chairman of Marvion Inc, the issued shares of which are traded over the counter (OTC) (Ticker: MVNC) from August 2021 to September 2024. He was the Group Chief Executive Officer of XBE from July 2021 to September 2024. He had also worked in various prestigious international law firms in Singapore and Hong Kong.

Biographical Information of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. LI Sai Wing, *MH, JP*, aged 42, has been appointed as non-executive Director with effect from 26 October 2022. Mr. Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University.

Currently, he is the Vice Chairman of Qingyuan Overseas Association and Federation of New Territories Youth respectively, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong and Hong Kong Volunteers Federation. Mr. Li is a Hong Kong Committee Member of Guangzhou Panyu District CPPCC Committee. He is also the Vice Chairman of New Territories Association of Societies. He was a district council member of Shatin District from 2012 to 2019. He was a member of the Legislative Council (New Territories South East) of Hong Kong from 2021 to 2025. He was the PR Project Supervisor of A-World Consulting Limited.

Ms. LEUNG Kar Ming, *MH*, aged 47, has been appointed as non-executive Director with effect from 1 August 2024. She had studied for Bachelor of Business Administration (service operation management) in City University of Hong Kong.

Currently, Ms. Leung is a District Council member (Kwai Tsing District) and member of the Sixth Election Committee of the Hong Kong Special Administrative Region. She is also a Hong Kong and Macau member of the 13th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference. She is also a deputy officer of Administration and Human Resources Department of Hong Kong Ming Wah Shipping Co., Ltd..

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Hoi Kuen ("Mr. Edmund Wong"), aged 65, is the chairman of the audit committee ("Audit Committee"), the remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") of the Company. He is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Mr. Edmund Wong joined the Group on 16 August 2017. Mr. Edmund Wong was an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (Stock Code: 223) from 9 May 2011 to 30 September 2024. Mr. Edmund Wong was also the company secretary of China Infrastructure Investment Limited since 1 August 2023, the listing of securities of which were cancelled on the Main Board of the Stock Exchange on 15 November 2024.

Mr. CHU Wun Chiu, aged 31, has been appointed as independent non-executive Director with effect from 1 August 2024. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Chu has obtained his Bachelor degree in International Politics from Jinan University. He has been a District Council member (Sha Tin East) of Hong Kong and a Hong Kong and Macau member of Shantou City, Haojiang District of CPPCC since January 2024.

He has also been a project approval group member of Environment and Conservation Fund in Hong Kong since January 2023 and a member of Young Democratic Alliance for the Betterment and Progress of Hong Kong since July 2021.

Ms. Do Do CHAN, aged 48, has been appointed as independent non-executive Director with effect from 17 November 2025. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee. She is a solicitor in Hong Kong and Barrister and Solicitor in Australia. She is also a Chartered Engineer in United Kingdom and Hong Kong. Ms. Chan graduated from the University of Hong Kong with a Bachelor of Bachelor of Engineering. She obtained the Postgraduate Certificate in Laws from University of Hong Kong and Graduate Diploma in Legal Practice in The Australian National University. She also obtained Juris Doctor in The Australian National University.

She is currently the Associate Legal Director, Head of the Legal & Compliance Department at Emperor International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 163) and also serves in Environment, Social and Governance Committee for Legal & Compliance Department in Emperor Group, where she leverages her expertise as an experienced lawyer and director level professional.

SENIOR MANAGEMENT

Ms. LAM Mei Wai Michelle, is the company secretary and one of the authorised representatives of the Company with effect from 31 March 2021. She holds a Bachelor of Arts from The University of Hong Kong and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lam is currently the President of Oakwood Services Limited and has more than 10 years of experience in company secretarial field. She also serves as the company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of the Stock Exchange.

Directors' Report

The Directors are pleased to present their report and the audited consolidated financial statements of China Information Technology Development Limited and its subsidiaries for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 39 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including the results of the Group, the financial position of the Group and a discussion of the principal risks and uncertainties facing the Group as well as indication of likely future developments in the Group's businesses and other relevant information, can be found in the "Management Discussion and Analysis" set out on pages 6 to 16 and the Chairman's Statement as set out on pages 4 to 5 of this report. Such discussion forms part of this Directors' Report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2025 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 63 to 162.

The audit committee of the Company (the "Audit Committee") has reviewed the draft audited consolidated financial statements and annual report before presenting them to the Board for consideration and approval.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 163. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movement in the share capital and share options of the Company during the year are set out in note 33 and note 34 to the consolidated financial statements respectively.

EQUITY-LINKED AGREEMENTS

Save for the old share option scheme adopted by the Company on 2 August 2012 ("2012 Share Option Scheme") and the existing share option scheme adopted by the Company on 15 May 2023 (the "2023 Share Option Scheme") as disclosed in the section headed "Share Options Scheme" of this Directors' Report, the Company has not entered into any equity-linked agreement for the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year (including sale of treasury shares). As at 31 December 2025, there were no treasury shares (as defined under GEM Listing Rules) held by the Company.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 37 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no reserve available for distribution to shareholders (including share premium account, foreign currency translation reserve and retained earnings). Under the Companies Law, Cap 22 (Law 38 of 1961, as consolidated and revised) 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 articles of association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business, in accordance with the Company's Articles of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 39.1% of the total sales for the year and sales to the largest customer included therein amounted to 16.9%. Purchases from the Group's five largest suppliers accounted for 61.6% of the total purchases for the year ended 31 December 2025 and purchase from the largest supplier included therein amounted to 23.3%.

None of the Directors or any of their associates or any shareholders of the Company (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 five largest customers and suppliers.

Directors' Report

DIRECTORS

The Directors of the Company during the year ended 31 December 2025 (the "Year") and up to the date of this report were:

Executive Directors:

Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*
Mr. Chu Joshua Allen Kiu Wah
Mr. So Han Meng Julian

Non-Executive Directors:

Mr. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH*

Independent non-executive Directors:

Mr. Wong Hoi Kuen
Mr. Chu Wun Chiu
Ms. Do Do Chan (Appointed on 17 November 2025)
Dr. Chen Shengrong (Resigned on 17 November 2025)

In accordance to Articles 86(3) of the Articles of Association, the Directors appointed during the Year will hold office until the forthcoming annual general meeting of the Company and shall be eligible for re-election.

In accordance with Articles 87(1) and 87(2) of the Articles of Association, one-third of the Directors will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmations of independence from Mr. Wong Hoi Kuen, Mr. Chu Wun Chiu and Ms. Do Do Chan and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 17 to 19 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group as well as the recommendation of the remuneration committee of the Company (the "Remuneration Committee"). Further details of the Directors' remuneration and the five highest paid individuals are set out in the note 11 to the consolidated financial statements on pages 125 to 127 of the annual report.

PERMITTED INDEMNITY OF DIRECTORS

Pursuant to the Articles of Association, every Director or other senior officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office 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.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACTS

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

MANAGEMENT CONTRACTS

No contracts, other than the employment contracts of the Directors and senior management of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

There is no transactions, arrangements and contract of significance to the business of the Group between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the Year. During the Year, no transactions, arrangements and contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed under the sections "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" below, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Capacity	Nature of Interest		Percentage of the Company's issued share capital *(approximately)* *(Note a)*
		Registered Shareholder	Underlying Interest	
Executive Director				
WONG King Shiu, Daniel	Beneficial owner	669,550	–	0.58%
		–	708,113 *(Note b)*	0.62%
Non-Executive Director				
LI Sai Wing, *MH, JP*	Beneficial owner	–	230,303 *(Note c)*	0.20%
Independent Non-Executive Director				
WONG Hoi Kuen	Beneficial owner	–	39,145 *(Note d)*	0.03%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 114,739,700 Shares.

(b) Mr. Wong King Shiu, Daniel was granted a total of 3,430,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(c) Mr. Li Sai Wing, MH, JP was granted 200,000 share options (prior to completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(d) Mr. Wong Hoi Kuen was granted 340,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

Save as disclosed above and in the paragraph headed "Share Options Scheme", as at 31 December 2025, none of the Directors or chief executive had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

EMOLUMENT POLICY

The employees' remuneration depends on their particular duties and their performance. The Company conducts employee performance review annually to evaluate and adjust the employees' remuneration. The Company enters into individual employment agreements with the employees, with terms covering, among other things, positions, salaries, working hours, annual leave and other benefits. The Group has the 2023 Share Option Scheme in place to enable the Board to grant share options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the growth and development of the Group. For details in relation to the 2023 Share Option Scheme and the 2012 Share Option Scheme, please refer to the paragraph headed "Share Option Scheme" from pages 25 to 32 of this annual report.

The emoluments of Directors are determined based on the skill, knowledge, duties and responsibilities. Each Director and senior management are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office.

Save as disclosed in note 11 to the consolidated financial statements, none of the other Directors had waived any emoluments for the year ended 31 December 2025.

SHARE OPTION SCHEME

2012 Share Option Scheme

The Company has adopted a share option scheme with effect from 2 August 2012 pursuant to an ordinary resolution passed by the Shareholders (the "2012 Share Option Scheme"). On 13 May 2021, the Company granted a total of 23,900,000 share options with rights to subscribe for 23,900,000 shares of the Company and further granted a total of 16,360,000 share options on 16 June 2022 with rights to subscribe for 16,360,000 shares of the Company.

Purpose of the 2012 Share option scheme

The purpose of the 2012 Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The 2012 Share Option Scheme provides the participants with the opportunity to acquire proprietary interests in the Company and will encourage such participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

Participants of the 2012 Share Option Scheme

The 2012 Share Option Scheme also attracts and retains the best available personnel and to provide additional incentive to an employee, director (including executive director, non-executive director or independent non-executive director), consultant, professional adviser, customer, business partner, joint venture partner, strategic partner or any supplier or provider of goods or services to, the Group, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

There is no performance target attached to the options granted.

The basis of eligibility of any participant to the grant of any share option shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group. The Board may, at its absolute discretion and on such terms as it may think fit and in accordance with the rules of the 2012 Share Option Scheme, grant share options under the 2012 Share Option Scheme to the eligible participants.

Total number of shares available for issue

The 2012 Share Option Scheme has expired on 1 August 2022 and no more share options may be granted under the 2012 Share Option Scheme during the Year. The outstanding share options under the 2012 Share Option Scheme would continue to be exercisable. 4,376,649 share options (as adjusted) are outstanding and so a total of 4,376,649 shares (as adjusted) are available for issue, which represents 3.81% of the issued Shares (excluding treasury shares) as at the date of this report.

The scheme mandate limit of the 2012 Share Option Scheme was refreshed by way of ordinary resolution in the EGM held on 5 November 2021. Prior to the expiry of the 2012 Share Option Scheme, the Company was able to grant 34,314,132 share options (as adjusted) under the 2012 Share Option Scheme under the refreshed mandate limit, being 10% of the total number of shares in issue (excluding treasury shares) on 5 November 2021.

Maximum entitlement of each participant under the 2012 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share options granted under the 2012 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share options) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

Period within which the option may be exercised by the grantee

The Company granted share options under the 2012 Share Option Scheme in 13 May 2021 and 16 June 2022. The exercise period for the respective share options granted was 10 years from the date of grant, from 13 May 2021 to 12 May 2031 and 16 June 2022 to 15 June 2032.

Vesting period of options granted

There is no vesting period with the share options granted on 13 May 2021 and 16 June 2022.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant.

Basis of determining the exercise price of options

The subscription price of a Share in respect of any particular share option granted under the 2012 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

Remaining life of the 2012 Share Option Scheme

The 2012 Share Option Scheme was valid and effective for a period of ten years from 2 August 2012 until its expiry on 1 August 2022. The outstanding share options granted under the 2012 Share Option Scheme remain valid until its expiry, being 10 years from the date of grant and being 12 May 2031 in respect of the share options granted in May 2021 and on 15 June 2032 in respect of the share options granted in June 2022.

During the Year, movements of the options which have been granted under the 2012 Share Option Scheme are set out below:

						Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Balance as at 1 January 2025	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2025
SUBSTANTIAL SHAREHOLDER											
ZHANG Rong	Substantial Shareholder	1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	29,626	—	—	—	—	29,626
	Sub-total:					**29,626**	**–**	**–**	**–**	**–**	**29,626**
DIRECTORS											
WONG King Shiu, Daniel	Executive Director ("ED"), Chairman and Chief Executive Officer	1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	394,901	—	—	—	—	394,901
WONG Hoi Kuen	Independent non-executive Director ("INED")	1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	39,145	—	—	—	—	39,145
FORMER DIRECTORS											
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	ED	1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	307,860	—	—	—	—	307,860
		1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	84,046	—	—	—	—	84,046
CHEN Shengrong *(Resigned on 17 November 2025)*	INED	1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	39,145	—	(39,145)	—	—	—
	Sub-total:					**865,097**	**–**	**(39,145)**	**–**	**–**	**825,952**
EMPLOYEES											
Batch A[1]		1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	270,497	—	—	—	—	270,497
Batch B[1]		1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	212,541	—	—	—	—	212,541
Batch C[1]		1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	1,434,963	—	—	—	—	1,434,963
Batch D[1]		1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	132,401	—	—	—	—	132,401
Batch E[1]		1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	414,474	—	—	—	—	414,474
Batch F[1]		1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	394,901	—	—	—	—	394,901
	Sub-total:					**2,859,777**	**–**	**–**	**–**	**–**	**2,859,777**

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of share options: Balance as at 1 January 2025	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2025
CONSULTANTS											
WEI Qi	AI consultant	1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	273,081	—	—	—	—	273,081
WEI Guokang	Data center construction Consultant	1.902	13/5/2021	N/A	13 May 2021 to 12 May 2031	273,081	—	—	—	—	273,081
HUANG Jiehuan	Consultant (Algorithm)	1.216	16/6/2022	N/A	16 June 2022 to 15 June 2032	115,132	—	—	—	—	115,132
	Sub-total:					**661,294**	**–**	**–**	**–**	**–**	**661,294**
	TOTAL:					**4,415,794**	**–**	**(39,145)**	**–**	**–**	**4,376,649**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	18 (7 of the 18 employees resigned and the options granted have been lapsed)
B	50,001 to 100,000	4 (1 of the 4 employees resigned and the options granted have been lapsed)
C	200,001 to 350,000	5
D	0 to 50,000	9 (4 of the 9 employees resigned and the options granted have been lapsed)
E	50,001 to 150,000	7 (1 of the employees was a grantee of Batch A and 2 of the 7 employees resigned and the options granted have been lapsed)
F	150,001 to 400,000	1

Note 2:

The number of outstanding share options and the exercise price were adjusted accordingly upon completion of rights issue on the basis of one rights share for every two existing shares on 11 April 2022 and completion of share consolidation of every ten issued and unissued existing shares be consolidated into one consolidated share on 5 December 2022. They were also adjusted accordingly upon completion of rights issue on the basis of three Rights Shares for every eight existing shares on 8 October 2025.

Note 3:

The options have an exercise period of ten years from date of grant. They do not have any vesting period nor performance target.

Note 4:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 16 June 2022) was HK$0.140 (prior to completion of the share consolidation mentioned in Note 2 above).

2023 Share Option Scheme

The Company has adopted the 2023 Share Option Scheme with effect from 15 May 2023 (the "Adoption Date") pursuant to an ordinary resolution passed by the Shareholders. The Company is entitled to offer 6,176,523 share options under the scheme mandate and 617,652 share options under the service provider sublimit upon the adoption of the share option scheme. As at the date of this report, 1,771,030 share options (as adjusted) have been granted under the 2023 Share Option Scheme.

Purpose and Participants of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to enable the Board to grant share options to (i) director(s) and employee(s) of the Company or any of its subsidiaries; (ii) directors and employees of holding companies, fellow subsidiaries or associate companies of the Company; and (iii) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group such as advisers, consultants, distributors, contractors, suppliers, agents and service providers of any subsidiary of the Group ("Service Providers" and collectively referred as the "Eligible Participants") as incentives or rewards for their contribution or potential contribution to the Group.

There is no performance target attached to the options granted. The options granted will be subject to clawback mechanism as determined by the Board. In particular, the lapse of the options upon cessation of employment of the grantee and the cancellation of the options at the discretion of the Board.

The Directors are of the view that the adoption of the 2023 Share Option Scheme aligns with the market practice of providing incentives to employee participants to work towards achieving the long-term objectives for the benefit of the Group as a whole.

The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate and take into account criteria based on the nature of the contributions made by the Eligible Participants before granting Share Option(s) to them.

Total number of share available for issue

Pursuant to an ordinary resolution passed by the Shareholders on 15 May 2023, the Company is entitled to issue a maximum of 6,176,523 Shares upon exercise of the share option to be granted under the scheme, representing 10% of the issued Shares on 15 May 2023.

During the Year, the remaining Scheme mandate available for future grant pursuant to the 2023 Share Option Scheme was 4,608,523 shares (representing approximately 4.02%) of issued Shares (excluding treasury shares), and 617,652 shares under the service provider sublimit representing 0.54% of the issued Shares (excluding treasury shares).

The Company had granted 1,771,030 share options (as adjusted) under the 2023 Share Option Scheme to certain directors and employees of the Company. During the Year, no options had been granted to service providers and the service provider sublimit has not been utilized.

As at the date of this report, 1,771,030 share options (as adjusted) are outstanding and so 1,771,030 shares are available for issue, representing approximately 1.54% of the issued Shares (excluding treasury shares).

Subsequent to the Year, 46,061 share options (as adjusted) granted has been lapsed.

Maximum entitlement of each participant under the 2023 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share option granted under the 2023 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share option) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share option in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

The Board has also set the service provider sublimit in respect of the total number of Shares which may be allotted and issued in respect of all share option to be granted to Service Providers under the 2023 Share Option Scheme to 1% of the total number of Shares in issue on the Adoption Date, being no more than 617,652 Shares.

Period within which the option may be exercised by grantee

The option granted under the 2023 Share Option Scheme shall be exercised in 10 years from the date of grant.

Vesting Period of the options granted

The vesting period of share options granted under the 2023 Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant no later than 30 days from the date of grant.

Basis of determining the exercise price of options granted

The exercise price of a Share in respect of any particular share option granted under the 2023 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine at the time of grant, save that such price will be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The remaining life of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

During the Year, movements of the options which have been granted under the 2023 Share Option Scheme are set out below:

						Number of share options					
Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Balance as at 1 January 2025	Granted	Lapsed	Cancelled	Exercised	Outstanding as at 31 December 2025
DIRECTORS											
WONG King Shiu, Daniel	ED, Chairman and Chief Executive Officer	2.970	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	313,212	–	–	–	–	313,212
Mr. LI Sai Wing, *MH, JP*	Non-executive Director	2.970	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	230,303	–	–	–	–	230,303
FORMER DIRECTOR											
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	ED	2.970	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	315,515	–	–	–	–	315,515
	Sub-total:					**859,030**	**–**	**–**	**–**	**–**	**859,030**
EMPLOYEES											
Batch A[1]		2.970	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	207,273	–	–	–	–	207,273
Batch B[1]		2.970	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	704,727	–	–	–	–	704,727
	Sub-total:					**912,000**	**–**	**–**	**–**	**–**	**912,000**
	TOTAL:					**1,771,030**	**–**	**–**	**–**	**–**	**1,771,030**

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	6 (1 of the 6 employees resigned and the options granted have been lapsed)
B	50,001 to 400,000	2

Note 2:

The options have an exercise period of ten years from date of grant. They have an exercise period from 10 August 2024 to 9 August 2033, both day inclusive. There is no performance target attached to the options.

Note 3:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 9 August 2023) was HK$3.42.

Note 4:

The number of outstanding share options and the exercise price were adjusted accordingly upon completion of rights issue on the basis of three Rights Shares for every eight existing shares on 8 October 2025.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2025, the following interests of 5% or more 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 ordinary shares of the Company:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital *(approximately)* *(Note a)*
Mr. ZHANG Rong ("Mr. Zhang")	Beneficial owner	16,981,499 *(Registered shareholder)*	14.80%
		29,629 *(underlying interest)* *(Note b)*	0.03%
	Through controlled corporation	3,218,800 *(Registered shareholder)* *(Note c)*	2.81%
JStage Technology Limited ("JStage Technology")	Beneficial owner	11,500,000 *(Registered shareholder)* *(Note d)*	10.02%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 114,739,700.

(b) Mr. Zhang was granted 230,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(c) The 3,218,800 Shares are held by Corporate Advisory Limited ("Corporate Advisory"), which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.

(d) The 11,500,000 Shares are held by JStage Technology, which is owned by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70% (as at the date of this report) respectively. Pursuant to Part XV of the SFO, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the SFO.

Save as disclosed above, as at 31 December 2025, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

MATERIAL LITIGATION AND ARBITRATION

Guangzhou Xinfeng Investment Consultancy Company Limited*(廣州信豐投資諮詢有限公司)("Xinfeng"), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company holds the property situated at Zhuangshi Building, No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC (the "Property").

The Property is currently leased by the Vendor to Guangzhou City Jiayi Seniors Care Co. Ltd.*(廣州市嘉怡頤養院有限公司)("Guangzhou Jiayi"), a company established under PRC laws with limited liability and an Independent Third Party, for a lease term from 5 March 2021 to 4 March 2041. Guangzhou Jiayi started to default on the lease payment since August 2024. Xinfeng has filed a lawsuit against Guangzhou Jiayi with the Guangzhou Yuexiu District People's Court*(廣州市越秀區人民法院)on 22 January 2025 to terminate the tenancy agreement and reclaim the outstanding rent of approximately RMB8.34 million and the leased premises. The date for the hearing of the lawsuit is to be confirmed and the leased premises is still occupied by Guangzhou Jiayi as at the date of this report.

Save as disclosed, the Company was not involved in any litigation, arbitration or claims of material importance and there was no litigation or claim of material importance which was known to the Directors to be pending or threatened by or against the Company for the year.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The details of environmental, social and governance policies and performance of the Group will be disclosed in the standalone Environmental, Social and Governance Report.

* *The English transliteration of the Chinese names, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

COMPETING BUSINESS

During the year ended 31 December 2025 and up to the date of this report, the Director had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to the GEM Listing Rules were as follows:

Name of Director	Name of Company	Nature of Business	Nature of interest
So Han Meng Julian	China e-Wallet Payment Group Limited (delisted on 16 March 2026)	IT Business	Executive director

As the Board is independent to the board of the above mentioned company, the Group is capable of carrying on its business independently of and at arm's length, from the business of this company.

During the year and up to the date of this report, save as disclosed above, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group.

The Group maintains strong relationships with its employees and offers them with safe working environments, training and career development opportunities. The Group has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

DONATIONS

The Group did not make any charitable donations during the year ended 31 December 2025.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

SUFFICIENCY OF PUBLIC FLOAT

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

Directors' Report

CORPORATE GOVERNANCE

The Company's corporate governance report is set out on pages 60 to 61.

AUDITORS

ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA"), retired as the auditor of the Company at the annual general meeting on 28 June 2024 and Prism Hong Kong Limited was appointed as the auditor of the Company on 28 June 2024 to fill the casual vacancy following the retirement of ZHONGHUI ANDA. Prism Hong Kong Limited shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

Save as disclosed above, there are no other changes in auditor in the preceding three years.

SUBSEQUENT EVENTS

Save as disclosed in this annual report, there are no other subsequent event.

ON BEHALF OF THE BOARD

Mr. Wong King Shiu, Daniel
Chairman and Chief Executive Officer

Hong Kong
26 March 2026

Corporate Governance Report

INTRODUCTION

The Board of the Company believes that corporate governance is essential to enhance the Group's value and accountability and has adopted various measures to adhere to a high standard of corporate governance to safeguard the interests of shareholders, clients, service vendors, employees and other stakeholders.

The Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "Code") for the year ended 31 December 2025, except for the following:

Code Provision C.1.5

Code Provision C.1.5 stipulates that non-executive directors and independent non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders of the Company. Ms. Leung Kar Ming, *MH*, the non-executive Director and Mr. Chu Wun Chiu, the independent non-executive Director were unable to attend the annual general meeting on 24 June 2025 due to their other business engagements.

Code Provision C.2.1

Chairman and Chief Executive Officer

Code Provision C.2.1 stipulates the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong King Shiu, Daniel served as both the Chairman and the Chief Executive Officer during the year. Such practice deviates from code provision C.2.1 of the Code. The Board is of the opinion that it is appropriate and in the best interests of the Company for the same person to hold both positions as it helps maintain the continuity of the policies and the stability of the operations of the Company.

CULTURE AND VALUES

With the aim to provide advanced and high quality IT services to our clients, the Board strives to foster corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

Integrity and code of conduct

The Group endeavors to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee manual, the anti-corruption policy and the whistleblowing policy of the Group. The said policies had been available and sent to all staff for their reference. Regular updates and training are provided to reinforce the standard.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is important to nurture commitment with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Corporate Governance Report

BOARD OF DIRECTORS

Board Composition and the responsibilities, accountabilities and contributions of the Board and Management

The Board, which currently comprises eight Directors, including three executive Directors, and two non-executive Directors and three independent non-executive Directors. The Board is responsible for overseeing the corporate strategy and performance, annual and interim results, succession planning, internal control and risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters of the Company. The independent non-executive Directors are responsible for ensuring a high standard of internal control of the Company and financial and other mandatory reporting of the Board as well as to provide a balance in the Board in order to protect shareholders' interest and overall interest of the Group.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual, and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of risk management and internal controls procedures, and compliance with relevant statutory requirements and rules and regulations.

All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director and non-executive Director (including the independent non-executive Director) has sufficient experience, knowledge and execution ability to hold the position so as to carry out his duties effectively and efficiently.

The composition of the Board, details of backgrounds and qualifications of all Directors are set out in the "Corporate Information" and "Biographical Information of Directors and Senior Management" sections of this annual report. The latest list of Directors setting out their roles and responsibilities is available and accessible at the websites of the Company (http://www.citd.com.hk) and the Stock Exchange (www.hkexnews.hk).

There was no financial, business, family or other material/relevant relationship among Directors.

Board Independence

The Company recognises that Board independence is crucial in good corporate governance and effectiveness of the Board. The Board has established mechanisms to ensure independent views and input from any Director of the Company are delivered to the Board for building an objective and effective decision.

The governance framework and the following mechanisms are reviewed annually by the Board, through its nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee") of the Company, in order to ensure the effectiveness:

1. Three out of the eight Directors are independent non-executive Directors, which meets the requirements of the GEM Listing Rules that the Board must have at least three independent non-executive Directors and must appoint independent non-executive Directors representing at least one-third of the Board.

2. The Nomination and Remuneration Committees will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive director before appointment and also the continued independence of existing independent non-executive Directors and their time commitments annually. On an annual basis, all independent non-executive Directors are required to confirm in writing their compliance of independence requirements pursuant to Rule 5.09 of the GEM Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.

3. The Nomination and Remuneration Committees will conduct the performance evaluation of the independent non-executive Directors annually to assess their contributions.

4. External independent professional advice is available as and when required by individual Directors.

5. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

6. A Director (including independent non-executive Director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same.

7. The Chairman of the Board meets with independent non-executive Director annually without the presence of the executive Directors and non-executive Directors.

8. The independent non-executive Directors of the Company who served the Company for more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders pursuant to the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the director's securities transactions (the "Code of Conduct") 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 made specific enquiry of all Directors regarding any non-compliance with the Code of Conduct during the year, and they all confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct throughout the year ended 31 December 2025.

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each Director receives comprehensive, formal and tailored induction on the first occasion of his appointment so as to ensure the he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development.

During the year of 2024, the Company appointed Mr. Chu Joshua Allen Kiu Wah, Ms. Leung Kar Ming, *MH*, Mr. Chu Wun Chiu and Mr. So Han Meng Julian as the Company's directors.

Each of Mr. Chu Joshua Allen Kiu Wah, Ms. Leung Kar Ming, *MH*, Mr. Chu Wun Chiu and Mr. So Han Meng Julian had (i) obtained legal advice from the Company's legal advisor in Hong Kong as regards the requirements under the GEM Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 28 June 2024, 1 August 2024, 1 August 2024 and 1 November 2024 respectively before they were appointed as a Director; and (ii) confirmed that he/she understood his/her obligations a director of a listed issuer.

During the year of 2025, Ms. Do Do Chan has been appointed as the Company's director on 17 November 2025 and had (i) obtained legal advice from the Company's legal advisor in Hong Kong as regards the requirements under the GEM Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 17 November 2025 respectively before she was appointed as a Director; and (ii) confirmed that she understood her obligations a director of a listed issuer.

During the year, each Director is briefed and updated from time to time to ensure that he/she is fully aware of his/her responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. During the year ended 31 December 2025, all Directors participated in continuing professional development regarding their duties and responsibilities as a director of a listed company which included reading newspapers, journals and updates and/or attending training courses and/or seminars relevant to the Group's businesses to their duties and responsibilities as directors of a listed company. The Directors were provided with monthly updates on the Group's business and financial matters. All Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

Directors' participation in continuous professional development for the year ended 31 December 2025 are set out in the table below:

	Participation in continuous professional development
Executive Directors	
Mr. Wong King Shiu, Daniel	√
Mr. Chu Joshua Allen Kiu Wah	√
Mr. So Han Meng Julian	√
Non-Executive Director	
Mr. Li Sai Wing, *MH, JP*	√
Ms. Leung Kar Ming, *MH*	√
Independent Non-executive Directors	
Mr. Wong Hoi Kuen	√
Mr. Chu Wun Chiu	√
Ms. Do Do Chan (appointed on 17 November 2025)	√
Dr. Chen Shengrong (resigned on 17 November 2025)	√

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Except for Mr. Wong King Shiu, Daniel, the executive Director and Mr. Wong Hoi Kuen, the independent non-executive Director, all other Directors have entered into service contracts with the Company with a fixed term, yet all the Directors of the Company are subject to retirement and re-election at the forthcoming general meeting of the Company after his appointment and will also be subject to retirement by rotation and re-election in accordance with the Articles of Association and the Code.

Corporate Governance Report

BOARD MEETING

During the year of 2025, the board held totally 9 board meetings and 1 general meeting. The attendance of each Director are set out below:

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Executive Directors:		
Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*	9/9	1/1
Mr. Chu Joshua Allen Kiu Wah	9/9	1/1
Mr. So Han Meng Julian	9/9	0/1
Non-Executive Director:		
Mr. Li Sai Wing, *MH, JP*	9/9	1/1
Ms. Leung Kar Ming, *MH*	9/9	0/1

Name of Director	Attendance/ Number of board meetings held	Attendance/ Number of general meetings held
Independent non-executive Directors:		
Mr. Wong Hoi Kuen	9/9	1/1
Mr. Chu Wun Chiu	9/9	0/1
Ms. Do Do Chan (appointed on 17 November 2025)	2/2	N/A
Dr. Chen Shengrong (resigned on 17 November 2025)	7/7	1/1

During the Year, pursuant to Code Provision C.2.7 of the Code, the chairman held one meeting with the independent non-executive Directors without the presence of other Directors.

At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Board's procedures comply with the Articles of Association, as well as relevant rules and regulations. An agenda and accompanying board papers shall be sent, in full, to all Directors in a timely manner at least 3 days before the intended date of a board or board committee meeting unless otherwise agreed. The management shall supply the Board and board committees with complete and reliable adequate information, in a timely manner, to enable them to make informed decisions and fulfil their duties properly. The Board and each Director has separate and independent access to the issuer's senior management. Queries raised by Directors will be responded promptly and in a full way.

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction.

Board minutes of each Board meeting are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Corporate Governance Report

NON-EXECUTIVE DIRECTORS

The Board fulfilled the requirement of appointing at least three independent non-executive directors and they represented at least one-third of the Board as stipulated by the GEM Listing Rules. It met the requirement of having at least one of the independent non-executive directors with appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors have appropriate and sufficient experience and qualification to carry out their duties so as to fully represent the interests of the shareholders.

The Company has received from each independent non-executive Director an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The independent non-executive Directors have confirmed that they are independent.

Mr. Wong Hoi Kuen ("Mr. Edmund Wong") will be serving the Company for more than 9 years in 2026. Pursuant to Code Provision B.2.3 of the Code, if an independent non-executive director has served for more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders of the Company.

The Board and the Nomination Committee have assessed Mr. Edmund Wong's independence and believes that he has consistently demonstrated independent and impartial judgment, providing constructive challenges to management. The Company has received the annual confirmation of independence from Mr. Edmund Wong and he has no financial, family, or business relationships with the Group or its connected persons that would impair his independence. The Board is of the opinion that Mr. Edmund Wong maintains his independence even he will be serving the Board for more than 9 years, and believes that his valuable knowledge and experience continue to generate significant contribution to the Board, the Company and the Shareholders as a whole. The Company and the Nomination Committee are in the process of identifying a new independent non-executive Director based on the candidates' experience and factors as required under the GEM Listing Rules. Further announcement(s) will be made by the Company in this regard as and when appropriate.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Mr. Wong Hoi Kuen is not appointed for a specific term while Mr. Li Sai Wing, *MH, JP*, Ms. Leung Kar Ming, *MH*, Mr. Chu Wun Chiu and Ms. Do Do Chan are appointed with a term of three years. In accordance with the Articles of Association, all non-executive Directors (including the independent non-executive Directors) are subject to retirement by rotation and re-election by shareholders the annual general meetings of the Company.

INSURANCE ON DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate liabilities insurance for the Directors to cover their liabilities arising out of corporate activities. The insurance coverage is reviewed annually.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions, which include but not limited to the following duties:

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

(b) To review and monitor the training and continuous professional development of Directors and senior management (with the recommendation of the Nomination Committee);

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

(d) To develop, review and monitor the code of conduct applicable to employees and Directors; and

(e) To review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the year, the Board has reviewed and discharged the above corporate governance functions.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules.

During the Year, Dr. Chen Shengrong had resigned as member of the Remuneration Committee and Ms. Do Do Chan has been appointed as a member of the Remuneration Committee with effect from 17 November 2025. As at the date of this report, members of the Remuneration Committee are Mr. Wong Hoi Kuen (Committee Chairman), Mr. Chu Wun Chiu and Ms. Do Do Chan. All of the Remuneration Committee members are independent non-executive Directors.

Its main role and functions include but not limited to making recommendations of specific remuneration packages of all executive directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive directors and senior management of the Company. The Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

During the year of 2025, 3 Remuneration Committee meetings were held. The attendance of each member is set out below:

Name of Director	Attendance Number of meetings held
Mr. Wong Hoi Kuen *(Committee Chairman)*	3/3
Mr. Chu Wun Chiu	3/3
Ms. Do Do Chan (appointed on 17 November 2025)	N/A
Dr. Chen Shengrong (resigned on 17 November 2025)	2/2

The works performed by the Remuneration Committee during the year include the following:

- reviewed matters relating to the 2023 share option scheme to directors and employees of the Company;
- reviewed and recommended the remuneration package of Ms. Do Do Chan regarding her appointment as independent non-executive Director with effect from 17 November 2025;
- reviewed the updated terms of reference of Remuneration Committee;
- reviewed and determined the policy for the remuneration of Directors and senior management;
- reviewed and recommended the remuneration package of the Directors and senior management; and
- reviewed and approved the terms of executive Directors' service contracts.

No Director nor any of his/her associates was involved in deciding his/her own remuneration.

For the year, the remuneration payable (including equity-settled share option expense) to 4 senior management (excluding Directors) fell within the band of HK$nil to HK$1,000,000.

During the year ended 31 December 2025, since there was no share option granted under the 2023 Share Option Scheme, no material matter relating to the share option scheme has been reviewed by the Remuneration Committee.

Further details of the remuneration of the Directors and the five highest paid individuals are set out in note 11 to the financial statements.

Corporate Governance Report

NOMINATION OF DIRECTORS

The Board is empowered under the Articles of Association to appoint any person as a director either to fill a casual vacancy or, subject to authorisation by the shareholders of the Company in general meeting, as an additional member of the Board. The Company has adopted the nomination policy (the "Nomination Policy") which sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board of Directors. The criteria for recommending the suitable candidates for directorship include (i) reputation for integrity, (ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, (iii) willingness to devote adequate time to discharge duties as Board members and other directorships and significant commitments; (iv) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and (v) such other perspectives appropriate to the Company's business. These factors are for reference only, and not meant to be exhaustive and decisive. The nomination committee of the Company ("Nomination Committee") has the discretion to nominate and recommend any person, as it considers appropriate to the Board for further approval.

Upon receipt of a proposal on appointment of new Directors, the Nomination Committee should evaluate such candidates based on the criteria as set out above and in accordance with the Board Diversity Policy, to determine whether such candidates are qualified for directorship. The candidates shall be invited to the meeting for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members.

The Nomination Committee should make recommendation to the Board. The nomination committee and/or the Board should also make recommendation to Shareholders in respect of the proposed election of Directors at a general meeting where appropriate.

For re-election of Directors, the Nomination Committee and/or the Board should in accordance with the board evaluation policy, board skill matrix and assessments, review the overall contribution and service to the Company of the retiring Directors, the level of participation and performance by such Directors on the Board. The Nomination Committee and/or the Board should also review and determine whether the retiring Directors continue to meet the criteria as set out above. The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Directors at a general meeting.

The Nomination Committee shall review and recommend to the Board on any revisions to the Nomination Policy to ensure its transparent and fair for the election or re-election process of directors, remains relevant to the Company needs and reflects the good corporate governance practice. The Nomination Committee will discuss any revisions that may be required, and recommend any such revision to the Board for consideration and approval.

Corporate Governance Report

BOARD DIVERSITY

The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Board has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the Board Diversity Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities.

The Company also takes into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board. Nomination Committee has considered measurable objectives based on four focus areas: gender, age, professional experience and ethnicity to implement the Board Diversity Policy. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness at least once annually. The Board Diversity Policy is available on the website of the Company for public information.

Measurable Objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives:

1. at least one third of the Directors shall be independent non-executive Directors;

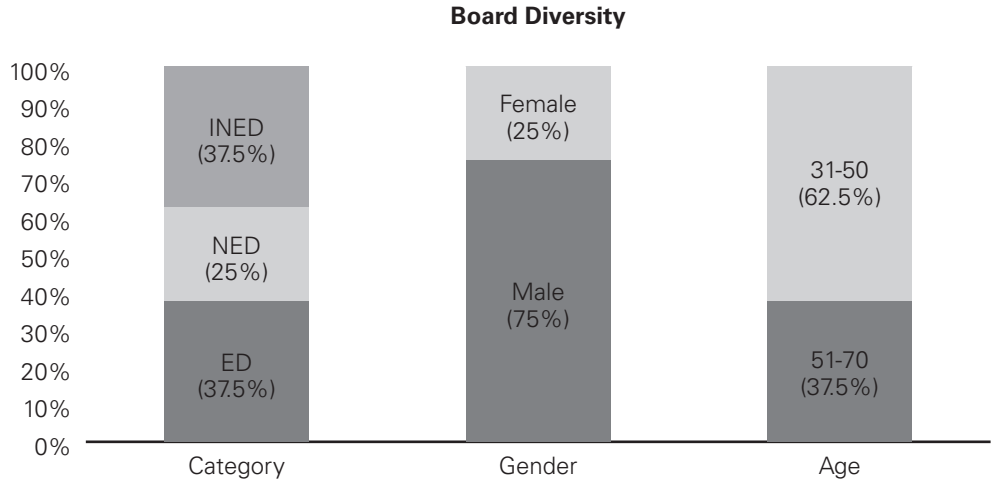
2. at least one Director is female; and

3. at least one Director shall have obtained accounting or other professional qualifications.

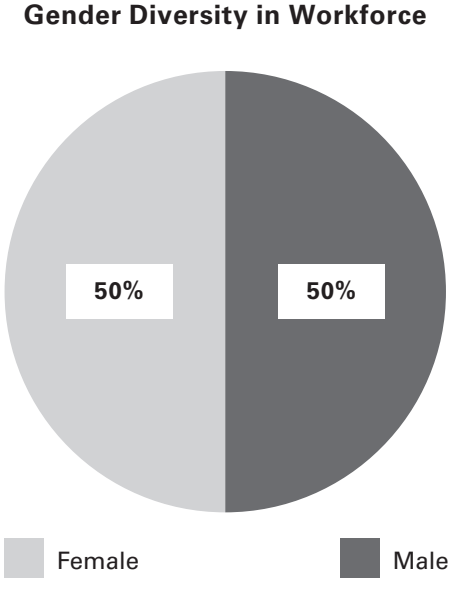
During the year ended 31 December 2025, all the measurable objectives have been fulfilled.

Progress:

The Board and the Nomination Committee believe that the diversity of the Board is sufficient given that there are Directors from different industries and with different experience, skills and knowledge. As at 31 December 2025, the analysis of the Board diversity is set out as follows:



During the year, in the IT industry which is traditionally short of female talents, the Group had managed to attract female talents and maintained a relatively balanced gender ratio as shown in the below chart:-



The Company shall continue to maintain gender diversity in workforce.

NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in compliance with Rule 5.36A and Code Provisions B.3.1 to B.3.4 of Appendix C1 of the GEM Listing Rules.

During the Year, Dr. Chen Shengrong has resigned as member of the Nomination Committee and Ms. Do Do Chan has been appointed as a member of the Nomination Committee with effect from 17 November 2025. As at the date of this report, members of the Nomination Committee are Mr. Wong Hoi Kuen (Committee Chairman), Mr. Chu Wun Chiu and Ms. Do Do Chan. All of the Nomination Committee members are independent non-executive Directors.

The Nomination Committee's role and functions include but not limited to reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive directors and making recommendations to the Board on the appointment, re-appointment and succession of directors.

During the year of 2025, 3 Nomination Committee meetings were held. The attendance of each member is set out below:

Name of Director	Attendance/ Number of meetings held
Mr. Wong Hoi Kuen	3/3
Mr. Chu Wun Chiu	3/3
Ms. Do Do Chan (appointed on 17 November 2025)	2/2
Dr. Chen Shengrong (resigned on 17 November 2025)	1/1

The works performed by the Nomination Committee during the year include the following:

- made recommendation for the appointment of Ms. Do Do Chan as independent non-executive Director of the Company with effect on 17 November 2025;
- reviewed the updated Terms of Reference;
- reviewed the Board Diversity Policy;
- reviewed and recommended the Board Evaluation Policy to the Board for approval;
- reviewed the structure, size and composition of the Board according to the board diversity objectives and the development of the Company and the market conditions;
- accessed the independence of independent non-executive Directors; and
- made recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

During the Year, Dr. Chen Shengrong had resigned as member of the Audit Committee and Ms. Do Do Chan has been appointed as a member of the Audit Committee with effect from 17 November 2025. As at the date of this report, members of the Audit Committee are Mr. Wong Hoi Kuen (Committee Chairman), Mr. Chu Wun Chiu and Ms. Do Do Chan. None of them is a member of the former or existing auditors of the Company. All of the Audit Committee members are independent non-executive Directors.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company's financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group's external auditor. The Audit Committee had reviewed this annual report and confirmed that it complies with the applicable standard, the GEM Listing Rules and other applicable legal requirements and the adequate disclosures have been made. There is no disagreement between the members of the Audit Committee regarding the selection and appointment of external auditors.

During the year of 2025, 2 Audit Committee meetings were held. The attendance of each member is set out below:

Name of Director	**Attendance/ Number of meetings held**
Mr. Wong Hoi Kuen *(Committee Chairman)*	2/2
Mr. Chu Wun Chiu	2/2
Ms. Do Do Chan (appointed on 17 November 2025)	N/A
Dr. Chen Shengrong (resigned on 17 November 2025)	2/2

The works performed by the Audit Committee during the year include the following:

- reviewed the annual report and the annual results announcement of the Company for the year ended 31 December 2024;
- reviewed the interim report and the interim results announcement of the Company for the six months ended 30 June 2025;
- reviewed and discussed with the management the risk management and internal control systems of the Group based on the reports provided by the independent internal control adviser;
- reviewed and discussed with the management the effectiveness of the internal audit of the Company;

- reviewed and discussed with the management the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions;
- reviewed the updated terms of reference of Audit Committee;
- reviewed the code of conduct and the manuals applicable to employees and Directors;
- recommended to the Board, for approval by shareholders of the Company, the appointment of auditors of the Company; and
- discussed with the auditors about the audit plan and other audit issues of the Group.

FINANCIAL REPORTING

With the assistance of the accounting department and the sufficient explanation and information provided by the management of the Company, the Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2025 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the year under review. The Directors consider that the financial statements have been prepared in conformity with the statutory requirements including the Hong Kong Companies Ordinance and the Listing Rules and the applicable accounting standards including the International Financial Reporting Standards, Hong Kong Financial Reporting Standards. These statutory requirements and applicable accounting standards have been consistently used and applied and reasonable judgements and estimates are properly made. The Board aims to present a clear and balanced assessments of the Group's performance in the annual, interim and quarterly reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

The Directors' responsibilities for the consolidated financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 60 and 61 to 62.

During the year of 2025, the Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

During the year ended 31 December 2025, the remuneration paid or payable to Prism Hong Kong Limited ("Prism") in respect of the audit and non-audit services were as follows:

Services rendered	Fees paid/ payable (HK$'000)
Audit services	800
Non-audit services	210

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued shares was held by the public.

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations, to safeguard the shareholders' investment and the Group's assets and to ensure strict compliance with relevant laws, rules and regulations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems and reporting to the Board. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

Our risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has formulated and adopted risk management policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the senior management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group and in performing the internal audit functions for the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the GEM Listing Rules.

Risk Management Process

In addition to the Board's oversight responsibilities, the Company has developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. Senior management of the Group is responsible for the annual risk reporting process. Independent professional advisor meets with members of the senior management to review and assess risks and discuss solutions to address material internal control defects, including any changes relevant to a given year. Risks are compiled, ratings are assigned and mitigation plans are documented. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review.

Risks are evaluated by the Board and the Group's senior management based on (i) the severity of the impact of the risk on the Company's business operation and financial results; and (ii) the probability that the risk will occur.

Based on the risk evaluation, the Company will manage the risks as follows:

– Risk elimination – the Group's senior management may identify and implement certain changes or controls that in effect eliminate the risk entirely.

– Risk mitigation – the Group's senior management may implement a risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level.

– Risk retention – the Group's senior management may decide that the risk rating is low enough that the risk is acceptable for the Company and that no action is required. The risk would continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

Corporate Governance Report

Significant Risks of the Company

Certain significant risks identified during the reporting period and the relevant risk mitigation plans are shown as below:

1. Market competition and innovation risk

The Internet and technology industries are highly competitive with rapid product updates and replacements, and the development of AI-related technologies is progressing rapidly. The development of technologies brings evolutional changes to the existing business models and brings in more new players into the market. The existing market competition landscape may face major changes. Therefore, how to promote innovative and sustainable social values through innovation in technology, product and business model is one of the key challenges of the Company.

The Company attaches great importance to innovation and stays on top of the developments of the industry and user needs, keeps up with the technological development through innovation in frontier technology, and constantly improves the Company's products and services. By attracting and cultivating key talents and increasing investment in scientific research, the Company continuously improves its technology and innovation abilities and brings more cutting-edge technological benefits to the Company's business and products. The Company also continuously optimizes its resource allocation, enhances its core products and business, strengthens its product development and technical capabilities, explores innovative business models, develops products that meet the expectations of both domestic and international markets, continuously improves user experience, promotes sustainable and high-quality development of its businesses and increases its market competitiveness. The Company collaborates with its partners to jointly innovate, enhance service capabilities, and support the ecosystem in order to achieve product service growth and continuous iterative innovation, and create value for users and the society.

2. Global macroeconomic risks

The uncertainty of the global economic trend leads to changes in global markets. In the face of global economic changes, the Company adjusts its business development strategy accordingly, actively seeks and expands business development opportunities, and creates value for its shareholders. The Company also continuously improves its operational efficiency to confront uncertainties arising from the external environment.

3. Regulatory and compliance risk

As the Company continuously expands its businesses, the Company must abide by and comply with the relevant applicable laws and regulations in different jurisdictions, including but not limited to laws and regulations relating to privacy and data protection and labour protection and continue to pay attention to changes in industry laws and regulations. In addition, changes in international circumstances may affect the development of global policies and regulations and impact the development of various industries across different regions. The Company has taken practical steps to devote substantial resources in various areas to ensure the Company's compliance with regulatory requirements. The Company has engaged external professional consultants, kept abreast of the changes to relevant laws and regulations, adjusted strategies accordingly, taken appropriate actions or measures, improved internal training and the understanding of the laws and regulations, and enhanced the corresponding management system and policies to ensure that the Company is in compliance with such applicable laws and regulations.

Whistleblowing Policy

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") in June 2022. The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2024 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an anti-corruption policy (the "Anti-corruption Policy") in June 2022. The Group is committed to achieving the high standards of integrity and ethical behaviour in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

COMPANY SECRETARY

As at 31 December 2025, the Company Secretary of the Company, Ms. Lam Mei Wai Michelle, fulfilled the requirement under Rules 5.14 and 5.15 of the GEM Listing Rules. As an employee of the Company, the Company Secretary supports and reports directly to the Chairman of Board, ensures good information flow within the Board and the board committees while board policies and procedures are followed; advises the Board on governance matters, facilitates induction and monitors the training and continuous professional development of directors. She has attained not less than fifteen hours of relevant professional training during the year. Her biography is set out in the "Biographical Information of Directors and Senior Management" section of this annual report.

The Board approves the selection, appointment or dismissal of the secretary in board meetings. All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

INSIDE INFORMATION

Guidelines are provided to the Directors, management and relevant staff (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The procedures include, among others, regularly remind the Directors, management and relevant staff about the compliance with the securities dealing restrictions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules and the notification of the blackout period applicable to the publication of the annual, interim and quarterly (if any) results of the Company respectively.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

DIVIDEND POLICY

The dividend policy of the Company has been adopted on 31 December 2018 which sets out the factors in determination of dividend payment of the Company (the "Dividend Policy").

Under the Dividend Policy, the declaration and payment of dividends shall be in accordance with the applicable laws and the relevant provisions of articles of association of the Company effective from time to time.

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, the Group's earnings, reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Company in their long-term development, the financial conditions, business plan, future operations and earnings, capital requirement and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Group's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

The Company will continually review the Dividend Policy as appropriate from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

SHAREHOLDERS' RIGHTS

In accordance with the Company's Article 58, any shareholder or shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

Shareholders may put forward their enquiries about the Company to the Board or the Company Secretary at the Company's head office in Hong Kong.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board is committed to maintaining a high degree of corporate transparency, as well as maintaining a communication with shareholders having the aim to ensure shareholders be provided with information about the Company and enable them to engage actively with the Company and to exercise their rights ("Communication Policy").

The Company communicates with shareholders and investors through various channels including Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, for enquiries of shareholding, the Company Secretary of the Company for direct enquiries and publication of quarterly, interim and annual reports, announcements, circulars and other corporate information available on the websites of the Stock Exchange and/or the Company.

The Company's general meeting provides valuable opportunities for the Board to have face-to-face communication with the shareholders. The Company encourages the participation of the shareholders through annual general meeting and other general meetings where the shareholders exchange views with the Board, and to exercise their rights to vote at meetings.

The Board has reviewed the implementation and effectiveness of the Communication Policy with Shareholders including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Communication Policy with Shareholders has been properly implemented during the year under review and is effective.

During the Year, there was no significant change in the Company's constitutional documents which is available on the websites of the Company and the Stock Exchange.

We welcome shareholders and potential investors to visit the Company's website at www.citd.com.hk to obtain up-to-date information regarding the Company.

ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Independent Auditor's Report

To the shareholders of
China Information Technology Development Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Information Technology Development Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 63 to 162, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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"), as applicable to audits of financial statements of public interest entities. We have also 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.

Independent Auditor's Report

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Investment properties

Refer to Note 15 to the consolidated financial statements and the accounting policies on pages 87 to 88.

The key audit matter	**How the matter was addressed in our audit**
The Group measured its investment properties at fair value with the changes in fair value recognised in the consolidated statement of profit or loss. This fair value measurement is significant to our audit because the carrying amount of investment properties of approximately HK$169,661,000 as at 31 December 2025 and change in fair value of investment properties of approximately HK$54,225,000 for the year ended 31 December 2025 are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates. Independent valuer was engaged by the management of the Group for the fair value determination of investment properties as at 31 December 2025.	Our audit procedures in relation to management's fair value assessment on investment properties included the following: – Examining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model; – Assessing the competence, independence and integrity of the external valuer engaged by the Group; – Evaluating key assumptions and input data in the valuation model to market data; – Checking arithmetical accuracy of the valuation model; and – Assessing the disclosure of the fair value measurement in the consolidated financial statements.

Key audit matters *(Continued)*

Impairment assessment of trade receivables, deposits and other receivables

Refer to Notes 21 and 24 to the consolidated financial statements and the accounting policies on pages 89 to 96.

The key audit matter

The Group has trade receivables of approximately HK$3,180,000, and deposits and other receivables amounting to approximately HK$33,533,000, net of loss allowance for trade receivables, deposits and other receivables of approximately HK$21,764,000 as at 31 December 2025.

The loss allowance is estimated by taking into account the credit loss experience, ageing analysis of these assets, evaluation of collectability and financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

How the matter was addressed in our audit

Our audit procedures in relation to management's impairment assessment on trade receivables, deposits and other receivables included the following:

- Reviewing the Group's credit policy and provision policy for determining loss allowance in respect of trade receivables, deposits and other receivables;
- Examining the valuation report from management expert for the assessment of the fair value of the provision for impairment of trade receivables, deposits and other receivables;
- Assessing the competence, capabilities, qualifications, and objectives of the management and management expert; and
- Reviewing the assessment of ECL model and challenging the reasonableness of the methods and assumptions used to estimate ECL.

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 all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors of the Company and Audit Committee 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 HKFRS Accounting Standards issued by the HKICPA and the disclosure requirement 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 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit committee are responsible 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.

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

We also provide audit committee 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 audit committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Dai Tin Yau.

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising Certificate Number: P06318

Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	*7*	**34,464**	41,485
Cost of sales and services		**(15,998)**	(19,087)
Gross profit		**18,466**	22,398
Other income and gains	*8*	**40**	1,031
Selling and distribution expenses		**(749)**	(1,580)
Administrative expenses		**(39,591)**	(34,076)
Loss on disposal of a subsidiary	*35(b)*	**(1,994)**	–
Impairment loss under expected credit losses model		**(20,330)**	(987)
Equity-settled share-based payment expenses	*34*	**–**	(1,764)
Fair value loss on investments at fair value through profit or loss		**(102)**	(202)
Change in fair value of investment properties		**(54,225)**	(20,617)
Finance costs	*9*	**(2,246)**	(2,578)
LOSS BEFORE TAX	*10*	**(100,731)**	(38,375)
Income tax credit/(expense)	*12*	**493**	(8)
LOSS FOR THE YEAR		**(100,238)**	(38,383)
Attributable to:			
Owners of the Company		**(99,459)**	(37,634)
Non-controlling interests		**(779)**	(749)
		(100,238)	(38,383)
			(Restated)
LOSS PER SHARE	*14*		
– basic		**HK (110.77) cents**	HK (48.64) cents
– diluted		**HK (110.77) cents**	HK (48.64) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025	2024
	HK$'000	HK$'000
LOSS FOR THE YEAR	**(100,238)**	(38,383)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	**4,722**	(5,410)
Items that will not be reclassified to profit or loss:		
Change in fair value of equity investments at fair value through other comprehensive income	**(15,840)**	10,694
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF INCOME TAX	**(11,118)**	5,284
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(111,356)**	(33,099)
Attributable to:		
Owners of the Company	**(110,522)**	(32,387)
Non-controlling interests	**(834)**	(712)
	(111,356)	(33,099)

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Investment properties	*15*	**169,661**	216,035
Investment in joint ventures	*38*	**–**	–
Property, plant and equipment	*16*	**413**	565
Goodwill	*17*	**19,556**	19,556
Right-of-use assets	*18*	**3,005**	1,500
Other intangible assets	*19*	**824**	1,689
Equity investments at fair value through other comprehensive income	*20*	**–**	21,590
Deposits	*21*	**561**	587
Deferred tax assets	*22*	**6,038**	5,620
Total non-current assets		**200,058**	267,142
CURRENT ASSETS			
Inventories	*23*	**182**	251
Trade receivables	*24*	**3,180**	18,938
Prepayments, deposits and other receivables	*21*	**33,641**	35,882
Investments at fair value through profit or loss	*25*	**218**	320
Bank and cash balances	*26*	**14,933**	5,371
Total current assets		**52,154**	60,762
CURRENT LIABILITIES			
Trade payables	*27*	**2,993**	2,987
Contract liabilities	*28*	**555**	2,179
Other payables and accruals	*29*	**13,082**	14,990
Bank and other loans	*30*	**30,495**	35,651
Lease liabilities	*31*	**1,938**	1,365
Tax payable		**142**	141
Total current liabilities		**49,205**	57,313
NET CURRENT ASSETS		**2,949**	3,449
TOTAL ASSETS LESS CURRENT LIABILITIES		**203,007**	270,591

Consolidated Statement of Financial Position *(Continued)*

At 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT LIABILITIES			
Employee benefits obligations	*41*	**906**	–
Bonds	*32*	**5,101**	4,816
Lease liabilities	*31*	**1,102**	185
Bank and other loans	*30*	**25,310**	20,273
Deferred tax liabilities	*22*	**55**	133
Contract liabilities	*28*	**73**	184
Total non-current liabilities		**32,547**	25,591
NET ASSETS		**170,460**	245,000
CAPITAL AND RESERVES			
Share capital	*33*	**11,474**	7,327
Reserves	*37*	**170,351**	248,204
Equity attributable to owners of the Company		**181,825**	255,531
Non-controlling interests		**(11,365)**	(10,531)
TOTAL EQUITY		**170,460**	245,000

The consolidated financial statements on pages 63 to 162 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Wong King Shiu, Daniel
Chairman

Chu Joshua Allen Kiu Wah
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company								
	Share Capital HK$'000	**Share premium** HK$'000 *(Note 37(a)(i))*	**Share-based payment reserve** HK$'000 *(Note 37(a)(iii))*	**Foreign currency translation reserve** HK$'000 *(Note 37(a)(ii))*	**Investment revaluation reserve** HK$'000 *(Note 37(a)(iv))*	**Retained earnings** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
At 1 January 2024	6,177	178,462	4,814	(13,398)	(3,102)	97,806	270,759	(9,819)	260,940
Loss for the year	–	–	–	–	–	(37,634)	(37,634)	(749)	(38,383)
Other comprehensive (loss)/income for the year:									
– Exchange differences on translation of foreign operations	–	–	–	(5,447)	–	–	(5,447)	37	(5,410)
– Change in fair value of equity investments at fair value through other comprehensive income	–	–	–	–	10,694	–	10,694	–	10,694
Total comprehensive loss for the year	–	–	–	(5,447)	10,694	(37,634)	(32,387)	(712)	(33,099)
Issue of shares under placing (note 33)	1,150	14,375	–	–	–	–	15,525	–	15,525
Transaction costs attributable to issue of share under placing	–	(130)	–	–	–	–	(130)	–	(130)
Forfeitures of share options	–	–	(205)	–	–	205	–	–	–
Disposal of equity investments at fair value through other comprehensive income	–	–	–	–	6,997	(6,997)	–	–	–
Equity-settled share-based payment (note 34)	–	–	1,764	–	–	–	1,764	–	1,764
At 31 December 2024 and 1 January 2025	**7,327**	**192,707***	**6,373***	**(18,845)***	**14,589***	**53,380***	**255,531**	**(10,531)**	**245,000**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(99,459)**	**(99,459)**	**(779)**	**(100,238)**
Other comprehensive (loss)/income for the year:									
– Exchange differences on translation of foreign operations	**–**	**–**	**–**	**4,777**	**–**	**–**	**4,777**	**(55)**	**4,722**
– Change in fair value of equity investments at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**(15,840)**	**–**	**(15,840)**	**–**	**(15,840)**
Total comprehensive loss for the year	**–**	**–**	**–**	**4,777**	**(15,840)**	**(99,459)**	**(110,522)**	**(834)**	**(111,356)**
Issue of shares under placing (note 33)	**1,400**	**2,520**	**–**	**–**	**–**	**–**	**3,920**	**–**	**3,920**
Expenses in issuance of shares under placing	**–**	**(39)**	**–**	**–**	**–**	**–**	**(39)**	**–**	**(39)**
Lapsed of share options	**–**	**–**	**(24)**	**–**	**–**	**24**	**–**	**–**	**–**
Issue of shares under rights issue (note 33)	**2,747**	**32,695**	**–**	**–**	**–**	**–**	**35,442**	**–**	**35,442**
Expenses in issuance of shares under rights issue	**–**	**(2,507)**	**–**	**–**	**–**	**–**	**(2,507)**	**–**	**(2,507)**
At 31 December 2025	**11,474**	**225,376***	**6,349***	**(14,068)***	**(1,251)***	**(46,055)***	**181,825**	**(11,365)**	**170,460**

* These reserve accounts comprise the consolidated reserve of approximately HK$170,351,000 (2024: approximately HK$248,204,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(100,731)**	(38,375)
Adjustments for:		
Impairment losses under expected credit loss model	**20,330**	987
Equity-settled share-base payment expenses	**–**	1,764
Finance costs	**2,246**	2,578
Bank interest income	**(3)**	(16)
Change in fair value of investment properties	**54,225**	20,617
Fair value loss on investments at fair value through profit or loss	**102**	202
Depreciation of property, plant and equipment	**168**	443
Depreciation of right-of-use assets	**2,517**	2,384
Amortisation of intangible assets	**865**	866
Loss on disposal of property, plant and equipment	**29**	70
Loss on disposal of a subsidiary	**1,994**	–
Operating loss before working capital change	**(18,258)**	(8,480)
Decrease/(increase) in inventories	**69**	(130)
Increase in trade receivables	**(4,570)**	(1,587)
Decrease in prepayments, deposits and other receivables	**5,001**	11,601
Increase/(decrease) in trade payables	**6**	(468)
Decrease in other payables and accruals	**(2,630)**	(1,594)
(Decrease)/increase in contract liabilities	**(1,735)**	797
Cash (used in)/generated from operations	**(21,211)**	139
Tax paid	**(3)**	(9)
Net cash (used in)/generated from operating activities	**(21,214)**	130

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 December 2025

	Note	**2025** **HK$'000**	2024 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(43)**	(39)
Proceeds from disposal of property, plant and equipment		**–**	9
Bank interest received		**3**	16
Proceeds from disposal of a subsidiary	35(b)	**1,000**	–
Proceeds from disposal of equity investments at fair value through other comprehensive income		**–**	4
Proceeds from disposal of equity investments at fair value through profit or loss		**–**	36
Net cash inflow arising on acquisition of a subsidiary	35(a)	**–**	103
Net cash generated from investing activities		**960**	129
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance from independent third parties		**10,059**	3,917
Repayment of principal of lease liabilities		**(2,531)**	(2,424)
Lease interest paid		**(124)**	(112)
Proceeds from issue of shares under placing		**3,920**	–
Expenses in issuance of shares under placing		**(39)**	(130)
Proceeds from issue of shares under rights issue		**35,442**	–
Expenses in issuance of shares under rights issue		**(2,507)**	–
Loan interest paid		**(1,095)**	(1,454)
Repayment of bank and other loans		**(12,472)**	(8,003)
Net cash generated from/(used in) financing activities		**30,653**	(8,206)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**10,399**	(7,947)
Cash and cash equivalents at beginning of year		**5,371**	11,595
Effect of foreign exchange rate changes		**(837)**	1,723
CASH AND CASH EQUIVALENTS AT END OF YEAR		**14,933**	5,371
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances other than time deposits		**14,933**	5,371

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Company and its subsidiaries (collectively the "Group") were principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards – Volume 11[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances (please specify), appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries *(Continued)*

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude bank and cash balances, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisition of businesses are accounted for using the acquisition method, except for business combination under common control. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Business combinations or asset acquisitions *(Continued)*

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits, respectively;

- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard, and

- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Business combinations or asset acquisitions *(Continued)*

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at each reporting date, and changes in fair value are recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts recognised at the acquisition date are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Goodwill *(Continued)*

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill relating to an associate or a joint venture is set out in "investments in associates and joint ventures" below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method, except for the investments classified as held for sale in which case it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates and joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

If an associate or a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's accounting policies conform to those of the Group when the associate's or joint venture's financial statements are used by the Group in applying the equity method.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investments in associates and joint ventures *(Continued)*

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the net investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate or joint venture are recognised in consolidated financial statements only to the extent of interests in the associate or joint venture that are unrelated to the Group. The Group's share in the associate's or joint venture's gains or losses resulting from these transactions is eliminated.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investments in associates and joint ventures *(Continued)*

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. In applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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

Other revenue

Interest income is recognised using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract or modification date or acquisition date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee (Continued)

Lease liabilities *(Continued)*

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessee (Continued)

Right-of-use assets *(Continued)*

Except for the right-of-use assets classified as investment properties and measured under fair value model, right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line in the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment property".

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Leasing *(Continued)*

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. 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 of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component.

Rental income from operating leases is recognised 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 recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the 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 at 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 arising on the settlement of monetary items, and on the retranslation of 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. HK$) 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 the 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 foreign currency translation reserve (attributed to non-controlling interests as appropriate).

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Foreign currency translation *(Continued)*

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint arrangement that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), 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. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs and termination benefits

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Long service payments

The Group's net obligation in respect of Long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Retirement benefits costs and termination benefits *(Continued)*

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 difference 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 goodwill or 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax 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 property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Property, plant and equipment *(Continued)*

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment 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.

Leasehold improvements	Over the lease terms or 5 years, whichever is shorter
Furniture, fixtures and equipment	18% – 30%
Motor vehicles	10% – 20%

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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties recognised by the Group as right-of-use asset and sub-leased out under operating lease.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Investment properties *(Continued)*

If an item of property, plant and equipment becomes an investment property when there is a change in use, as supported by observable evidence, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. The properties revaluation reserve in respect of that item will be transferred directly to retained earnings when it is derecognised.

If an investment property becomes an owner-occupied property when there is a change in use, as supported by observable evidence, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an item of property, plant and equipment.

If an investment property becomes an property under development for sale in the ordinary course of business when there is a change in use, as supported by observable evidence, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an property under development.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Customer relationships

Customer relationships are stated at cost less any accumulated impairment losses and are amortised on the straight-line basis over their estimated useful life of 10 years. Impairment is reviewed when there is any indication that the customer relationships have suffered an impairment loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price less the estimated costs of completion and costs necessary to make the sale.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Cash and cash equivalents

In the consolidated statement of financial position, bank and cash balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) *(Continued)*

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Bank and other interest income" line item.

Financial assets at FVTOCI (debt instruments)

The Group's debt instruments are classified and measured subsequently at FVTOCI if both of the following conditions are met:

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

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

Debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debts instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Equity instruments designated as at FVTOCI *(Continued)*

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will continue to be held in investment revaluation reserve.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income and gains' line item in profit or loss.

Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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 includes any dividend or interest earned on the financial asset and is included in the 'Fair value (loss)/ gain on investments at fair value through profit or loss' line item. Fair value is determined in the manner described in note 26.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument 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 since initial recognition:

- 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 for a particular debtor, 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;
- significant increases in credit risk on other financial instruments of the same 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.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Significant increase in credit risk *(Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 60 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses 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. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Measurement and recognition of expected credit losses *(Continued)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition 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 retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Financial liabilities *(Continued)*

Modification of financial liabilities

A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Provisions

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

Provisions are measured at 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).

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Share-based payments *(Continued)*

Equity-settled share-based payment transactions (Continued)

Share options granted to employees *(Continued)*

When share options are exercised, the amount previously recognised in share options reserve will be transferred to 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 options reserve will continue to be held in share options reserve/will be transferred to retained earnings.

Share options granted to non-employees

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Impairment on property, plant and equipment, right-of-use assets, and intangible assets *(Continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of property, plant and equipment, right-of-use assets and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Fair value measurement *(Continued)*

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS

Key sources of estimation uncertainty

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

(a) Fair values of investment properties

The directors of the Company engaged an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to the estimates used in valuation would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

(b) Provision for impairment of trade receivables, deposits and other receivables

The impairment assessment of trade receivables, deposits and other receivables of the Group is based on the evaluation of collectability and ageing analysis of these assets as well as other quantitative and qualitative information and calculated the lifetime ECLs based on credit loss experience, and on management's judgement and assessment of the forward looking information. Significant judgement and estimates are required in assessing the ultimate realisation of these assets, based on the current creditworthiness, the past collection history and subsequent settlements of each customer. If the financial conditions of customers of the Group deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(c) Impairment of non-financial assets (other than goodwill)

The directors of the Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing for the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Changing the assumptions and estimations, including the discount rate could materially affect the recoverable amounts.

(d) Income taxes

The directors of the Company is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate and growth rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

4. KEY ESTIMATES AND CRITICAL JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(f) Deferred tax assets

As at 31 December 2025, a deferred tax asset of approximately HK$6,122,000 (2024: approximately HK$5,767,000) in relation to unused tax losses has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK$232,689,000 (2024: approximately HK$206,059,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Significant increase in credit risk

As explained in note 3, the Group measures the loss allowance equal to 12-month ECL for financial assets other than trade receivables, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025	2024
	HK$'000	HK$'000
Financial assets:		
Equity investments at fair value through other comprehensive income	**–**	21,590
Investments at fair value through profit or loss – mandatorily measured	**218**	320
Financial assets at amortised cost (including bank and cash balances)	**51,646**	60,632
	51,864	82,542
Financial liabilities:		
Financial liabilities at amortised costs	**79,337**	79,621

The Group's activities expose it to a variety of financial risks: market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(b) Currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. FINANCIAL INSTRUMENTS *(Continued)*

(c) Price risk

The Group's investments at fair value through profit or loss and equity investments at fair value through other comprehensive income are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The directors of the Company manage this exposure by maintaining a portfolio of investments with difference risk profiles.

At 31 December 2025, if the share prices of the investments at fair value through profit or loss increase/decrease by 10%, loss after tax for the year would have been approximately HK$18,000 (2024: approximately HK$27,000) decrease/increase, arising as a result of the fair value gain/loss of the investments. If the share process of the equity investments at fair value through other comprehensive income increase/decrease by 10%, other comprehensive loss for the year would have no effect (2024: approximately HK$1,803,000 lower/higher), arising as a result of the fair value gain/loss of the investments.

(d) Credit risk

The credit risk of the Group mainly arises from bank balances, trade receivables, deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets

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. 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 large customer. Limits and scoring attributed to large customers are reviewed once 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 trade receivable balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 82% (31 December 2024: 73%) of the total trade receivable as at 31 December 2025.

Deposits and other receivables

For deposits and other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

5. FINANCIAL INSTRUMENTS *(Continued)*

(d) Credit risk *(Continued)*

The table below is the internal credit policy of the Group:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
High risk	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Doubtful	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk 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 2025 and 31 December 2024.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
Trade receivables*	–	–	**20,436**	**4,284**	**24,720**
Financial assets included in deposits and other receivables					
– Normal	**33,757**	–	–	–	**33,757**
Bank and cash balance					
– Not yet past due	**14,933**	–	–	–	**14,933**
	48,690	–	**20,436**	**4,284**	**73,410**

5. FINANCIAL INSTRUMENTS *(Continued)*

(d) Credit risk *(Continued)*

Maximum exposure and year-end staging (Continued)

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
Trade receivable*	–	–	–	19,699	19,699
Financial assets included in deposits and other receivables					
– Normal	36,549	–	–	–	36,549
Bank and cash balance					
– Not yet past due	5,371	–	–	–	5,371
	41,920	–	–	19,699	61,619

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 24 to the consolidated financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 24 to the consolidated financial statements

5. FINANCIAL INSTRUMENTS *(Continued)*

(e) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The maturity analysis of the Group's financial liabilities is as follows:

	Weighted average interest rate %	Less than 1 year or on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2025							
Trade payables	**N/A**	**2,993**	**–**	**–**	**–**	**2,993**	**2,993**
Other payables and accruals	**N/A**	**12,398**	**–**	**–**	**–**	**12,398**	**12,398**
Bank and other loans	**3.29%**	**30,495**	**25,956**	**3,205**	**–**	**59,656**	**55,805**
Bonds	**5.91%**	**–**	**–**	**–**	**24,750**	**24,750**	**5,101**
		45,886	**25,956**	**3,205**	**24,750**	**99,797**	**76,297**
Lease liabilities	**5.16%**	**2,048**	**1,088**	**37**	**–**	**3,173**	**3,040**
At 31 December 2024							
Trade payables	N/A	2,987	–	–	–	2,987	2,987
Other payables and accruals	N/A	14,344	–	–	–	14,344	14,344
Bank and other loans	3.93%	35,651	15,271	8,697	–	59,619	55,924
Bonds	5.91%	–	–	–	24,750	24,750	4,816
		52,982	15,271	8,697	24,750	101,700	78,071
Lease liabilities	4.84%	1,394	187	–	–	1,581	1,550

5. FINANCIAL INSTRUMENTS *(Continued)*

(f) Interest rate risk

At 31 December 2025, the Group's other loan of approximately HK$5,212,000 (2024: approximately HK$5,002,000) and bonds of approximately HK$5,101,000 (2024: approximately HK$4,816,000) bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

At 31 December 2025, the Group's exposure to interest rate risk arises from its bank balances of approximately HK$14,933,000 (2024: approximately HK$5,371,000) and bank loan of approximately HK$30,495,000 (2024: approximately HK$35,651,000). These bank balances and bank loan bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2025, if interest rates at that date had been 50 basis points lower with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$152,000 (2024: approximately HK$177,000) lower (2024: lower), arising mainly as a result of lower interest expenses on bank loans. If interest rates had been 50 basis points higher, with all other variables held constant, the Group's loss after tax for the year would have been approximately HK$77,000 (2024: approximately HK$151,000) higher (2024: higher), arising mainly as a result of higher interest expenses on bank loans.

5. FINANCIAL INSTRUMENTS *(Continued)*

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 inputs: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Disclosures of level in fair value hierarchy

	Fair value measurements using:			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
At 31 December 2025				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
– Listed equity securities outside Hong Kong	**218**	**–**	**–**	**218**
Investment properties Commercial (PRC)	**–**	**–**	**169,661**	**169,661**
	218	**–**	**169,661**	**169,879**

5. FINANCIAL INSTRUMENTS *(Continued)*

(g) Fair values *(Continued)*

(a) Disclosures of level in fair value hierarchy (Continued)

	Fair value measurements using:			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2024				
Recurring fair value measurements:				
Investments at fair value through profit or loss				
– Listed equity securities outside Hong Kong	320	–	–	320
Equity investments at fair value through other comprehensive income				
– Listed equity securities outside Hong Kong *(Note)*	21,590	–	–	21,590
Investment properties Commercial (PRC)	–	–	216,035	216,035
	21,910	–	216,035	237,945

Note: The equity investment at fair value through other comprehensive income with fair values of HK$21,590,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As unadjusted quoted prices are available in the active market, the fair value measurement of the equity investment was accordingly transferred from Level 3 to Level 1 of the fair value hierarchy.

5. FINANCIAL INSTRUMENTS *(Continued)*

(g) Fair values *(Continued)*

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Equity investments at fair value through other comprehensive income HK$'000	Investment properties HK$'000	Total HK$'000
At 31 December 2025			
At beginning of year	–	216,035	216,035
Total unrealised losses recognised in			
– profit or loss	–	(54,225)	(54,225)
Exchange realignment	–	7,851	7,851
At end of year	–	169,661	169,661
At 31 December 2024			
At beginning of year	9,877	244,259	254,136
Total unrealised losses recognised in			
– profit or loss	–	(20,617)	(20,617)
Transfer out *(Note)*	(9,877)	–	(9,877)
Exchange realignment	–	(7,607)	(7,607)
At end of year	–	216,035	216,035

Note: The equity investment at fair value through other comprehensive income with fair values of HK$21,590,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As unadjusted quoted prices are available in the active market, the fair value measurement of the equity investment was accordingly transferred from Level 3 to Level 1 of the fair value hierarchy.

During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2.

5. FINANCIAL INSTRUMENTS *(Continued)*

(g) Fair values *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group engages external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

As at 31 December 2025

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB84-132 per square meter	Increase	169,661
		Monthly market rent	RMB87 per square meter	Increase	
		Term yield rate	7.25%	Decrease	
		Reversionary yield rate	7.50%	Decrease	

5. FINANCIAL INSTRUMENTS *(Continued)*

(g) Fair values *(Continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

As at 31 December 2024

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value HK$'000
Investment properties	Direct income approach	Monthly rental income	RMB82-132 per square meter	Increase	216,035
		Monthly market rent	RMB82 per square meter	Increase	
		Term yield rate	5.50%	Decrease	
		Reversionary yield rate	5.75%	Decrease	

6. OPERATING SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by different business lines. Information reported to the Group's executive directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment is prepared on this basis. The Group has identified the following three reportable segments under HKFRS 8 Operating Segments as follows:

– provision of IT infrastructure solutions and maintenance services ("IT solutions and maintenance");

– securities investments; and

– rental of properties.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3 to the consolidated financial statements. Segment results represent the profit or loss of each operating segment without allocation of include bank and other interest income, finance costs as well as head office and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

	IT solutions and maintenance		**Securities investments**		**Rental of properties**		**Total**	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:								
Revenue from external customers	**28,634**	30,291	**–**	–	**5,830**	11,194	**34,464**	41,485
Segment loss	**(1,538)**	(8,345)	**(125)**	(237)	**(68,988)**	(10,545)	**(70,651)**	(19,127)
Bank and other interest income							**3**	16
Corporate and other unallocated expenses							**(27,837)**	(16,686)
Finance costs							**(2,246)**	(2,578)
Loss before tax							**(100,731)**	(38,375)

6. OPERATING SEGMENT INFORMATION *(Continued)*

	IT solutions and maintenance		Securities investments		Rental of properties		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets:	**39,761**	53,849	**291**	396	**169,731**	231,020	**209,783**	285,265
Corporate and other unallocated assets							**42,429**	42,639
Total assets							**252,212**	327,904
Segment liabilities:	**(20,016)**	(25,200)	**–**	–	**(47,925)**	(44,648)	**(67,941)**	(69,848)
Corporate and other unallocated liabilities							**(13,811)**	(13,056)
Total liabilities							**(81,752)**	(82,904)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than corporate assets; and
- all liabilities are allocated to operating segments other than corporate liabilities.

6. OPERATING SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2025

	IT solutions and maintenance HK$'000	Securities investments HK$'000	Rental of properties HK$'000	Reportable segments, total HK$'000	Unallocated HK$'000	Total HK$'000
Continuing operations:						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation of property, plant and equipment	**25**	**–**	**5**	**30**	**138**	**168**
Depreciation of right-of-use assets	**794**	**–**	**–**	**794**	**1,723**	**2,517**
Additions to non-current assets	**111**	**–**	**4**	**115**	**3,771**	**3,886**
Impairment loss recognised	**321**	**–**	**19,986**	**20,307**	**23**	**20,330**
Loss on disposal of property, plant and equipment	**–**	**–**	**–**	**–**	**29**	**29**
Fair value loss of investment properties	**–**	**–**	**54,225**	**54,225**	**–**	**54,225**
Fair value loss of financial assets at FVTPL	**–**	**102**	**–**	**102**	**–**	**102**
Interest income	**–**	**–**	**–**	**–**	**(3)**	**(3)**

For the year ended 31 December 2024

	IT solutions and maintenance HK$'000	Securities investments HK$'000	Rental of properties HK$'000	Reportable segments, total HK$'000	Unallocated HK$'000	Total HK$'000
Continuing operations:						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation of property, plant and equipment	304	–	3	307	136	443
Depreciation of right-of-use assets	596	–	–	596	1,788	2,384
Additions to non-current assets	14,133	–	–	14,133	4	14,137
Impairment loss recognised	891	–	–	891	96	987
Loss on disposal of property, plant and equipment	37	–	33	70	–	70
Fair value loss of investment properties	–	–	20,617	20,617	–	20,617
Fair value loss of financial assets at FVTPL	–	202	–	202	–	202
Interest income	–	–	–	–	(16)	(16)

6. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

	Revenue		Non-current assets	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**24,294**	29,481	**23,526**	22,777
PRC except Hong Kong	**10,170**	12,004	**169,933**	216,568
	34,464	41,485	**193,459**	239,345

Information about the Group's revenue from external customers is presented based on the location of the customers.

Information about the non-current assets, except equity investments at fair value through other comprehensive income, deferred tax assets and deposits is presented based on the location of the operations of relevant group entities.

Information about major customers

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

	2025	2024
	HK$'000	HK$'000
Customer A[1]	**5,830**	11,194

[1] Revenue from rental properties segment.

7. REVENUE

The Group's revenue which represents (1) sale of computer hardware and software; (2) Provision of technical support and maintenance service; and (3) rental income are as follows:

	2025	2024
	HK$'000	HK$'000
Sale of computer hardware and software	**12,701**	12,963
Provision of technical support and maintenance service	**15,933**	17,328
Provision of property management services	**2,725**	5,295
Revenue from contracts with customers within the scope of HKFRS 15	**31,359**	35,586
Rental income	**3,105**	5,899
Total revenue	**34,464**	41,485

Disaggregation of revenue from contracts with customers:

Geographical markets		
Hong Kong	**24,294**	29,481
PRC except Hong Kong	**7,065**	6,105
Total	**31,359**	35,586
Major products/services		
Sale of computer hardware and software	**12,701**	12,963
Provision of technical support and maintenance services	**15,933**	17,328
Provision of property management services	**2,725**	5,295
Total	**31,359**	35,586
Timing of revenue recognition		
At a point in time	**12,701**	12,963
Over time	**18,658**	22,623
Total	**31,359**	35,586

7. REVENUE *(Continued)*

Sale of computer hardware and software

The Group sells computer hardware and software to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products. Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability. A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Provision of services

The Group provides software development, system integration, technical support and maintenance services to the customers. When the progress towards complete satisfaction of the performance obligations of a contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

Provision of property management services

Property management services fees recognised on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The property management services fees are due on the end of each month.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The following table includes the aggregated amounts of the transaction price allocated to the remaining performance obligations under the Group's existing service contracts. The transaction price does not include any estimated amounts of variable consideration, unless at the reporting date it is highly probable that the Group will satisfy the conditions of variable consideration.

7. REVENUE *(Continued)*

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date *(Continued)*

	2025	2024
	HK$'000	HK$'000
Remaining performance obligations expected to be satisfied		
Within one year	**555**	2,179
After one year	**73**	184
Total	**628**	2,363

Except for the aforesaid contracts, the Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its other contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that has an original expected duration of one year or less.

8. OTHER INCOME AND GAINS

	2025	2024
	HK$'000	HK$'000
Bank interest income	**3**	16
Service income	**–**	215
Others	**37**	800
	40	1,031

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	HK$'000
Interest expenses on:		
Other loans	**742**	743
Bank loans	**1,095**	1,454
Bonds	**285**	269
Lease liabilities	**124**	112
	2,246	2,578

10. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	2025	2024
	HK$'000	HK$'000
Employee benefit expense (including directors' remuneration – note 11):		
Salaries, allowances and benefits in kind	**23,236**	21,223
Pension schemes contribution	**1,055**	1,229
Equity-settled share-based payment expenses	**–**	1,764
	24,291	24,216
Rental income from investment properties:		
Gross rental income from investment properties	**(3,105)**	(5,899)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**150**	148
	(2,955)	(5,751)
Cost of inventories sold	**13,651**	14,794
Cost of services provided	**2,347**	4,293
Depreciation of property, plant and equipment	**168**	443
Depreciation of right-of-use assets	**2,517**	2,384
Amortisation of other intangible assets	**865**	866
Expenses related to short-term leases	**23**	479
Auditor's remuneration		
– Audit Services	**800**	800
– Non-audit services	**210**	–
Foreign exchange differences, net	**(671)**	289

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(a) Directors' emoluments

	Fees	Salaries, allowances and other benefits	Pension schemes contribution	Equity settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (i))*	As management *(Note (ii))*	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2025							
Executive directors							
Mr. Wong King Shiu, Daniel	**160**	**865**	**18**	**–**	**–**	**–**	**1,043**
Mr. Chu Joshua Allen Kiu Wah *(Note (iv))*	**300**	**–**	**–**	**–**	**–**	**–**	**300**
Mr. SO Han Meng Julian *(Note (vii), (x))*	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	460	**865**	**18**	**–**	**–**	**–**	**1,343**
Non-executive directors							
Hon Li Sai Wing, JP, MH	**240**	**–**	**–**	**–**	**–**	**–**	**240**
Ms. Leung Kar Ming, MH *(Note (v))*	**240**	**–**	**–**	**–**	**–**	**–**	**240**
	480	**–**	**–**	**–**	**–**	**–**	**480**
Independent non-executive directors							
Dr. Chen Shengrong *(Note (viii))*	**140**	**–**	**–**	**–**	**–**	**–**	**140**
Ms. Do Do Chan *(Note (ix))*	**15**	**–**	**–**	**–**	**–**	**–**	**15**
Mr. Wong Hoi Kuen	**160**	**–**	**–**	**–**	**–**	**–**	**160**
Mr. Chu Wun Chiu *(Note (v))*	**120**	**–**	**–**	**–**	**–**	**–**	**120**
	435	**–**	**–**	**–**	**–**	**–**	**435**
Total	**1,375**	**865**	**18**	**–**	**–**	**–**	**2,258**

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

(a) Directors' emoluments *(Continued)*

	Fees	Salaries, allowances and other benefits	Pension schemes contribution	Equity settled share-based payment	Remuneration paid or receivable in respect of accepting office as director *(Note (i))*	As management *(Note (ii))*	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 December 2024							
Executive directors							
Mr. Wong King Shiu, Daniel	160	840	18	330	–	–	1,348
Mr. Chang Ki Sum, Clark *(Note (iii))*	80	284	18	250	–	–	632
Mr. Chu Joshua Allen Kiu Wah *(Note (iv))*	153	–	–	–	–	–	153
Mr. SO Han Meng Julian *(Note (vii), (x))*	26	–	–	–	–	–	26
	419	1,124	36	580	–	–	2,159
Non-executive directors							
Hon Li Sai Wing, JP, MH	240	–	–	243	–	–	483
Ms. Leung Kar Ming, MH *(Note (v))*	100	–	–	–	–	–	100
	340	–	–	243	–	–	583
Independent non-executive directors							
Dr. Chen Shengrong *(Note (viii))*	160	–	–	–	–	–	160
Mr. Hung Hing Man *(Note (vi))*	94	–	–	–	–	–	94
Mr. Wong Hoi Kuen	160	–	–	–	–	–	160
Mr. Chu Wun Chiu *(Note (v))*	50	–	–	–	–	–	50
	464	–	–	–	–	–	464
Total	1,223	1,124	36	823	–	–	3,206

Notes:

(i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company.

(ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

(iii) Resigned on 28 June 2024.

(iv) Appointed on 28 June 2024.

(v) Appointed on 1 August 2024.

(vi) Resigned on 1 August 2024.

(vii) Appointed on 1 November 2024.

(viii) Resigned on 17 November 2025.

(ix) Appointed on 17 November 2025.

(x) The director agreed to waive his emoluments for the years ended 31 December 2025 and 2024.

During the year, no emoluments were paid by the Group to any of the directors of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals in the Group during the year included one director (2024: one director) whose emoluments are reflected in the analysis presented above. The emoluments of the remaining four (2024: four) individuals are set out below:

	2025	2024
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**4,105**	2,971
Pension schemes contribution	**90**	54
Equity settled share-based payment	**–**	419
	4,195	3,444

Their emoluments were within the following band:

	Number of individuals 2025	Number of individuals 2024
Nil – HK$1,000,000	**4**	3
HK$1,000,001 to HK$2,000,000	**–**	1
Total	**4**	4

During the year, no emoluments were paid by the Group to the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX (CREDIT)/EXPENSE

	2025	2024
	HK$'000	HK$'000
Hong Kong Profits Tax		
– Current taxation	**6**	5
– (Over)/under-provision in prior years	**(2)**	3
	4	8
Deferred tax credit *(note 22)*	**(497)**	–
	(493)	8

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rate regime, the first HK$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the consolidated financial statements for both years as the subsidiaries in the PRC have no taxable profits.

12. INCOME TAX (CREDIT)/EXPENSE *(Continued)*

The tax (credit)/expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follow:

	2025	2024
	HK$'000	HK$'000
Loss before tax	**(100,731)**	(38,375)
Notional tax on loss before tax, calculated at the rates applicable to profits in the jurisdictions concerned	**(22,755)**	(7,778)
Tax effect of income that is not taxable	**(175)**	(22)
Tax effect of expenses that are not deductible	**7,510**	1,156
Tax effect of temporary differences not recognised	**9,505**	3,702
Tax effect of tax losses not recognised	**5,597**	3,130
(Over)/under provision in respect of prior year	**(2)**	3
Tax effect of utilisation of tax losses not previously recognised	**(173)**	(183)
Tax (credit)/expense for the year	**(493)**	8

13. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

14. 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:

	2025	2024
	HK$'000	HK$'000
Loss for the year attributable to owners of the Company	**(99,459)**	(37,634)

	2025	2024
		(restated)
Weighted average number of ordinary shares for basic and diluted loss per share	**89,787,625**	77,370,163

The weighted average number of ordinary shares of 89,787,625 for the year ended 31 December 2025 was adjusted to reflect the rights issue completed on 11 September 2025 and the placing completed 5 December 2025.

The weighted average number of ordinary shares of 77,370,163 for the year ended 31 December 2024 was adjusted to reflect the rights issue completed on 11 September 2025.

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the years ended 31 December 2025 and 2024.

15. INVESTMENT PROPERTIES

	2025	2024
	HK$'000	HK$'000
At 1 January	**216,035**	244,259
Fair value loss	**(54,225)**	(20,617)
Exchange realignment	**7,851**	(7,607)
At 31 December	**169,661**	216,035

The fair value of the Group's investment properties at 31 December 2025 and 2024 have been arrived at on the basis of a valuation carried out on that date by BonVision International Appraisals Limited (the "Valuer") (2024: BonVision International Appraisals Limited), independent qualified professional valuers not connected with the Group. The Valuer are members of Hong Kong Institute of Surveyors. The valuation was arrived at by adopting income approach as available in the market to assess the market value of the investment properties. During the assessment of the fair values of investment properties, the Valuer and the directors of the Company have exercised their judgement and are satisfied that the method of valuation and the key inputs, including term yield, reversionary yield and market rent are reflective of the current market conditions. If there are changes in the assumptions used for the valuations, the fair value of the investment properties will change in the future.

15. INVESTMENT PROPERTIES *(Continued)*

At 31 December 2025, the carrying amount of investment properties of approximately HK$169,661,000 (2024: approximately HK$216,035,000) pledged as security for the Group's bank loans amounted to approximately HK$30,495,000 (2024: approximately HK$35,651,000).

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The income approach estimates the values of the properties on an open market basis by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised on a fully leased basis. In this approach, the Valuer has considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. Details of the fair value of investment properties refer to Note 5.

The Group's future undiscounted lease payments under operating leases are receivable as follows:

	2025	2024
	HK$'000	HK$'000
Less than 1 year	–	5,176
Between 1 and 2 years	–	5,332
Between 2 and 3 years	–	5,491
Between 3 and 4 years	–	5,656
Between 4 and 5 years	–	5,826
Over 5 years	–	78,206
	–	105,687

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST:				
At 1 January 2024	2,286	2,669	3,284	8,239
Exchange realignment	–	(17)	(11)	(28)
Additions	–	39	–	39
Disposal/written off	–	(47)	(814)	(861)
At 31 December 2024 and 1 January 2025	**2,286**	**2,644**	**2,459**	**7,389**
Exchange realignment	**–**	**22**	**–**	**22**
Additions	**–**	**43**	**–**	**43**
Disposal	**–**	**(29)**	**–**	**(29)**
At 31 December 2025	**2,286**	**2,680**	**2,459**	**7,425**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS:				
At 1 January 2024	2,138	2,333	2,716	7,187
Exchange realignment	–	(14)	(10)	(24)
Provided during the year	148	180	115	443
Disposal/written off	–	(9)	(773)	(782)
At 31 December 2024 and 1 January 2025	**2,286**	**2,490**	**2,048**	**6,824**
Exchange realignment	**–**	**20**	**–**	**20**
Provided during the year	**–**	**53**	**115**	**168**
At 31 December 2025	**2,286**	**2,563**	**2,163**	**7,012**
CARRYING AMOUNTS:				
At 31 December 2025	**–**	**117**	**296**	**413**
At 31 December 2024	–	154	411	565

17. GOODWILL

	2025 HK$'000	2024 HK$'000
Cost:		
At 1 January	**19,556**	6,504
Additions on acquisition of subsidiaries *(Note 35(a))*	**–**	13,052
At 31 December	**19,556**	19,556
Carrying amount:		
At 31 December	**19,556**	19,556
The carrying amount of goodwill had been allocated as follows:		
IT solutions and maintenance	**19,556**	19,556

The recoverable amount of this CGUs are determined by reference to the value-in-use approach, which are based on discounted cash flow based on the financial budgets approved by the management covering a 5-year period, and the discount rate of approximately 12.12% to 13.34% (2024: approximately 14.38% to 15.26%) that reflects current market assessment of the time value of money and the risks specific to the CGUs. Cash flows beyond 5-year period have been extrapolated using a steady 2% (2024: 2%) annual growth rate.

Assumptions are used in the value-in-use calculations of the abovementioned IT solutions and maintenance segment's CGU as at 31 December 2025. The following sets out the key assumptions on which management have based their cash flow projections to undertake impairment testing of goodwill:

	2025
Revenue growth rate	**17%**
Budgeted gross margin	**31%**
Terminal growth rate	**2%**
Pre-tax discount rate	**12.12% – 13.34%**

The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements, and expected market development. Terminal growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rate is consistent with forecasts included in industry. The discount rate used is before tax and reflects specific risks related to the relevant unit.

18. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2025 HK$'000	2024 HK$'000
At 31 December:		
Right-of-use assets		
– Land and buildings	**3,005**	1,500

	2025 HK$'000	2024 HK$'000
For the year ended 31 December:		
Depreciation charge of right-of-use assets		
– Land and buildings	**2,517**	2,384
Lease interests	**124**	112
Expenses related to short-term leases	**23**	479
Total cash outflow for leases	**2,678**	3,015
Additions to right-of-use assets	**3,843**	1,046
Lease commitments of short-term leases	**55**	46

The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 1 to 5 years (2024: 1 to 2 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

19. OTHER INTANGIBLE ASSETS

	Customer relationships HK$'000 *(note (a))*
COST:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	8,242
ACCUMULATED AMORTISATION:	
At 1 January 2024	5,687
Provided during the year	866
At 31 December 2024 and 1 January 2025	6,553
Provided during the year	865
At 31 December 2025	7,418
CARRYING AMOUNTS:	
At 31 December 2025	**824**
At 31 December 2024	1,689

Note:

(a) The useful life of the customer relationship is 10 years.

20. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	**2025 HK$'000**	2024 HK$'000
Listed equity investments, at fair value			
– Global Engine Group Holding Limited ("Global Engine")	*(a)*	**–**	21,590

The equity investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

Notes:

(a) On 1 April 2021, the Group acquired 10% equity interest of Global Engine Group Holding Limited ("Global Engine"), a company incorporated in the British Virgin Islands with limited liability, at a consideration of HK$10,000,000 which is satisfied by issuance of 20,000,000 new shares at consideration share price of HK$0.5 per share. Global Engine is an investment holding company and its directly wholly-owned subsidiary is an integrated solutions provider in information and communication technologies, system integration and other technical consultation services in Hong Kong and Asia Pacific region. During the year of 2024, the Company did not receive any dividend from Global Engine. During the year ended 31 December 2024, Global Engine becomes listed on Nasdaq Stock Market LLC. At the date of disposal, it was measured at fair value of approximately HK$5,750,000.

During the year ended 31 December 2025, the equity interest of Global Engine was derecognised upon the disposal of a subsidiary (note 35(b)).

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	**2025 HK$'000**	2024 HK$'000
Deposits and other receivables		**1,170**	2,249
Consideration receivables from disposal of subsidiaries *(Note 35(b))*	*(a)*	**32,587**	34,300
Prepayments		**669**	146
		34,426	36,695
Less: Allowances for credit losses		**(224)**	(226)
		34,202	36,469
Less: Deposits classified as non-current assets		**(561)**	(587)
		33,641	35,882

Notes:

(a) (i) As at 31 December 2025, included in other receivables of the gross amount of approximately HK$13,801,000 (2024: approximately HK$17,314,000) is receivables from the purchasers of Rosy Ridge Investments Limited. A 12-month ECL of approximately HK$108,000 (2024: approximately HK$126,000) has been provided in respect of the receivable balance.

(ii) As at 31 December 2025, included in other receivables of the gross amount of approximately HK$15,786,000 (2024: approximately HK$16,986,000) is receivables from the purchasers of Rosy Time Investments Limited. A 12-month ECL of approximately HK$88,000 (2024: approximately HK$88,000) has been provided in respect of the receivable balance.

(iii) As at 31 December 2025, included in other receivables of the gross amount of HK$3,000,000 (2024: Nil) is receivables from the purchaser of Rosy Depot Limited. A 12-month ECL of approximately HK$24,000 (2024: Nil) has been provided in respect of the receivable balance.

The movement in the loss allowance for impairment of deposits and other receivables is set out below:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**226**	–
Impairment loss recognised	**2**	226
Disposal of a subsidiary *(note 35(b))*	**(4)**	–
At the end of the year	**224**	226

Details of impairment assessment of deposits and other receivables are set out in note 5(c).

22. DEFERRED TAX

The following are the major deferred tax assets/(liabilities) recognised by the Group:

	Other intangible assets HK$'000	Tax losses HK$'000	Right-of-use assets HK$'000	Lease liability HK$'000	Total HK$'000
At 1 January 2024	(423)	5,910	–	–	5,487
Credit/(charge) to consolidated profit or loss	143	(143)	115	(115)	–
Exchange realignment	–	–	(2)	2	–
At 31 December 2024 and 1 January 2025	**(280)**	**5,767**	**113**	**(113)**	**5,487**
Credit/(charge) to consolidated profit or loss	**143**	**355**	**(69)**	**68**	**497**
Exchange realignment	**–**	**–**	**3**	**(4)**	**(1)**
At 31 December 2025	**(137)**	**6,122**	**47**	**(49)**	**5,983**

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2025 HK$'000	2024 HK$'000
Deferred tax assets	**6,038**	5,620
Deferred tax liabilities	**(55)**	(133)
	5,983	5,487

The Group has tax losses arising in Hong Kong of approximately HK$230,306,000 (2024: approximately HK$216,104,000) that are available indefinitely and in Mainland China of approximately HK$39,594,000 (2024: approximately HK$28,326,000) that are available for a maximum of five years, for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses of approximately HK$232,689,000 (2024: approximately HK$206,059,000) as they have arisen in certain subsidiaries that have been loss-making for some time and it is considered not probable that taxable profits will be available against which tax losses can be utilised.

As at 31 December 2025, the Group has deductible temporary differences of approximately HK$38,019,000 (2024: approximately HK$24,582,000) not recognised as deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, there is no temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised (2024: nil).

23. INVENTORIES

	2025	2024
	HK$'000	HK$'000
Finished goods and merchandises	**182**	251

24. TRADE RECEIVABLES

	2025	2024
	HK$'000	HK$'000
Trade receivables	**24,720**	19,699
Less: Allowances for credit losses	**(21,540)**	(761)
	3,180	18,938

Notes:

(a) The Group has granted credit terms to its customers within 30 days (2024: within 30 days). Overdue balances are reviewed by the directors. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

(b) The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2025	2024
	HK$'000	HK$'000
Within 1 month	**1,512**	12,779
1 to 2 months	**545**	1,694
2 to 3 months	**18**	1,553
Over 3 months	**1,105**	2,912
	3,180	18,938

24. TRADE RECEIVABLES *(Continued)*

The movement in the loss allowance for impairment of trade receivables is set out below:

	2025	2024
	HK$'000	HK$'000
At the beginning of the year	**761**	–
Impairment loss recognised	**20,328**	761
Exchange alignment	**451**	–
At the end of the year	**21,540**	761

Details of impairment assessment of trade receivables are set out in note 5(c).

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward-looking information.

During the year ended 31 December 2025, the Group filed a claim with the Guangzhou Yuexiu District People's Court*（廣州市越秀區人民法院）against the tenant for outstanding rent receivables related to the investment property in Guangzhou. The court has accepted the case but there have been no updates on its status up to the date of this report. The directors of the Company consider that the tenant has breached the agreement and, accordingly, the rent receivables with gross amounts of approximately HK$20,436,000 (2024: HK$14,606,000) are classified as doubtful as the credit quality has deteriorated and are credit-impaired, and assessed individually (2024: not credit-impaired, and assessed using provision matrix). The remaining gross carrying amounts of trade receivables were assessed using provision matrix.

	Neither past due nor impaired	**Less than 1 month past due**	**1 to 3 months past due**	**Over 3 months to 1 year past due**	**Over 1 year past due**	**Total**
At 31 December 2025						
Weighted average expected loss rate	**1.6%**	**0.6%**	**0.0%**	**38%**	**51%**	**26%**
Receivable amount (HK$'000)	**1,406**	**677**	**33**	**223**	**1,945**	**4,284**
Loss allowance (HK$'000)	**22**	**4**	**–**	**85**	**993**	**1,104**
At 31 December 2024						
Weighted average expected loss rate	0.2%	0.2%	0.1%	17%	47%	4%
Receivable amount (HK$'000)	12,805	1,697	2,953	1,088	1,156	19,699
Loss allowance (HK$'000)	26	3	3	190	539	761

* The English transliteration of the Chinese name, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name.

25. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	HK$'000	HK$'000
Listed equity securities, at fair value		
– outside Hong Kong	**218**	320

The investments included above as at 31 December 2025 and 2024 represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the listed equity securities are determined based on the quoted market prices.

26. BANK AND CASH BALANCES

	2025	2024
	HK$'000	HK$'000
Bank and cash balances	**14,933**	5,371

As at 31 December 2025, the bank and cash balances of the Group denominated in RMB amounted to approximately HK$218,000 (2024: approximately HK$1,216,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

27. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	HK$'000	HK$'000
Within 1 month	**536**	581
1 to 2 months	**650**	1,320
2 to 3 months	**706**	905
Over 3 months	**1,101**	181
	2,993	2,987

28. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	2025	2024
	HK$'000	HK$'000
Contract liabilities – sale of computer hardware and software	**2**	1,330
Contract liabilities – provision of technical support and maintenance services	**626**	1,033
Total contract liabilities	**628**	2,363
Contract receivables (included in trade receivables)	**4,656**	5,047

As at 1 January 2024, contract liabilities amounted to HK$1,566,000.

	2025	2024
	HK$'000	HK$'000
Analysed as:		
Non-current liabilities	**73**	184
Current liabilities	**555**	2,179
	628	2,363

	2025	2024
	HK$'000	HK$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
– 2025	**–**	2,179
– 2026	**555**	184
– 2027	**73**	–
	628	2,363

Year ended 31 December	**2025**	2024
	HK$'000	HK$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	**2,160**	1,566

28. CONTRACT LIABILITIES *(Continued)*

Significant changes in contract liabilities during the year:

	2025	2024
	HK$'000	HK$'000
Increase due to operations in the year	**425**	2,363
Transfer of contract liabilities to revenue	**(2,160)**	(1,566)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

29. OTHER PAYABLES AND ACCRUALS

	2025	2024
	HK$'000	HK$'000
Accruals	**4,193**	5,401
Other payables	**6,453**	7,261
Rental deposit received	**1,752**	1,682
Value-added-tax payables	**684**	646
	13,082	14,990

30. BANK AND OTHER LOANS

	Notes	**2025**	2024
		HK$'000	HK$'000
Bank loans:			
Mortgage loan	*(i)*	**30,495**	35,651
Other loans:			
Loans from independent third parties	*(ii)*	**25,310**	20,273
		55,805	55,924
Analysed as:			
Non-current liabilities		**25,310**	20,273
Current liabilities		**30,495**	35,651
		55,805	55,924

30. BANK AND OTHER LOANS *(Continued)*

The borrowings are repayable as follows:

	2025	2024
	HK$'000	HK$'000
On demand or within one year	**30,495**	35,651
In the second year	**12,530**	15,271
In the third to fifth years, inclusive	**12,780**	5,002
	55,805	55,924
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(30,495)**	(35,651)
Amount due for settlement after 12 months	**25,310**	20,273

Notes:

(i) The mortgage loan has terms of 8 years until 2030 with a repayable on demand clause exercisable by a bank. The average interest rate was 3.4% (2024: 3.4%).

The mortgage loan is secured by a charge over the Group's investment properties with fair value of approximately HK$169,661,000 (2024: approximately HK$216,035,000) and by the rights to receive the rental fees of the Group's investment properties, and guaranteed by the Company and an independent third party (2024: equity investment of the Company).

(ii) Loan from an independent third party amounted to approximately HK$3,327,000 (2024: approximately HK$3,193,000) is interest bearing at 15% per annum (2024: 15%), unsecured and repayable on 28 July 2027.

Loan from an independent third party amounted to approximately HK$499,000 (2024: approximately HK$479,000) is interest bearing at 13.8% (2024: 13.8%) per annum, unsecured and repayable on 31 July 2028.

Loan from an independent third party amounted to approximately HK$277,000 (2024: approximately HK$266,000) is interest bearing at 13.8% (2024: 13.8%) per annum, unsecured and repayable on 19 September 2028.

Loan from an independent third party amounted to approximately HK$1,109,000 (2024: approximately HK$1,064,000) is interest bearing at 13.8% (2024: 13.8%) per annum, unsecured and repayable on 18 December 2028.

Loan from an independent third party amounted to approximately HK$4,314,000 (2024: approximately HK$9,993,000) is interest-free, unsecured and repayable on 1 January 2026. On 31 December 2025, the Group entered into a supplemental agreement with the independent third party, pursuant to which the repayment date of the loan was extended to 1 January 2027.

Loan from an independent third party amounted to approximately HK$8,217,000 (2024: approximately HK$5,278,000) is interest-free, unsecured and repayable on 1 January 2026. On 31 December 2025, the Group entered into a supplemental agreement with the independent third party, pursuant to which the repayment date of the loan was extended to 1 January 2027.

Loan from an independent third party amounted to approximately HK$7,567,000 (2024: Nil) is interest-free, unsecured and repayable on 1 January 2027.

31. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**2,048**	1,394	**1,938**	1,365
In the second to fifth years, inclusive	**1,125**	187	**1,102**	185
	3,173	1,581		
Less: Future finance charges	**(133)**	(31)		
Present value of lease liabilities	**3,040**	1,550	**3,040**	1,550
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,938)**	(1,365)
Amount due for settlement after 12 months			**1,102**	185

At 31 December 2025, the average effective borrowing rate was ranged from 3.85% to 5.25% (2024: 5.125% to 5.25%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

32. BONDS

	2025	2024
	HK$'000	HK$'000
Non-current		
Bonds	**5,101**	4,816

The Group announced a completion of the zero coupon bond issuance on 12 July 2023. The total principal amount of the bonds is up to HK$100 million. The bonds will be documented using Distributed Ledger Technology (in place of paper) and will be implemented using Digital Ownership Token standard.

Bonds with HK$24.75 million has been purchased by a third party, with approximately 66.66% discount on face value. The Group received approximately HK$8,252,000 from the bond subscription. The bonds are offered at a discount with an effective yield to maturity of 3.73% per annum, and shall mature on 27 June 2053.

The initial fair value of the bonds is approximately HK$4,426,000. The Group recorded a gain on initial recognition of bonds of approximately HK$3,826,000 in the consolidated statement of profit or loss for the year ended 31 December 2023.

33. SHARE CAPITAL

	Notes	Number of shares		Share capital	
		2025	2024	**2025**	2024
				HK$'000	HK$'000
Authorised:					
Ordinary shares of HK$0.1 (2024: HK$0.1) each					
At the beginning and at the end of the year		**12,000,000,000**	12,000,000,000	**1,200,000**	1,200,000
Issued and fully paid:					
Ordinary shares of HK$0.1 (2024: HK$0.1) each					
At the beginning of the year		**73,265,237**	61,765,237	**7,327**	6,177
Placing of shares under general mandate	*(i)*	**14,000,000**	11,500,000	**1,400**	1,150
Issue of shares under rights issue	*(ii)*	**27,474,463**	–	**2,747**	–
At the end of the year		**114,739,700**	73,265,237	**11,474**	7,327

Notes:

(i) On 6 June 2024, Gold Unity Limited ("Gold Unity"), a wholly-owned subsidiary of the Company, had entered into an agreement with JStage Technology Limited ("JStage"), pursuant to which Gold Unity has conditionally agreed to acquire, and JStage has conditionally agreed to sell 100% of the issued share capital of Popsible Limited at a consideration of HK$11,500,000 which to be settled by way of allotment and issue of the 11,500,000 consideration shares by the Company. The closing price of the consideration shares was HK$1.35 at the completion date. The acquisition was completed on 12 July 2024.

On 19 November 2025, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, on a best effort basis, of up to 14,000,000 placing shares, to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$0.28 per placing share. The placing was completed on 5 December 2025. The net proceeds of approximately HK$3,881,000 were raised from the placing.

(ii) On 13 August 2025, the Board of Directors proposed to conduct the rights issue (the "Rights Issue") on the basis of three (3) rights shares ("Rights Share(s)") for every eight (8) existing shares held on the record date of 10 September 2025 at the subscription price of HK$1.29 per Rights Share, to raise up to approximately HK$35,442,000 before expenses by way of issuing up to 27,474,463 Rights Shares. On 11 September 2025, the Rights Issue was completed and 27,474,463 Rights Shares were issued. The net proceeds of approximately HK$32,935,000 were raised from the Rights Issue.

34. SHARE OPTION SCHEME

The Company adopted a share option scheme with effect from 2 August 2012 (the "2012 Share Option Scheme") and a new share option with effect from 15 May 2023 (the "2023 Share Option Scheme", together with 2012 Share Option Scheme, the "Schemes") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include the Company's executive and non-executive directors, full-time employees of the Group, advisers and consultants of the Group. The 2012 Share Option Scheme was expired on 1 August 2022. The 2023 Share Option Scheme became effective on 15 May 2023 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon expiry of the Schemes, the options granted under the Scheme remain valid until they expire. Further details of the term and validity of the options are set out below.

The maximum number of shares which may be issued upon exercise of all options granted and yet to be granted under the Schemes is currently limited to 30% of the shares of the Company in issue at any time. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each eligible participant in the Schemes in any 12-month period up to the date of the grant is limited to 1% of the aggregate number of issued shares of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors at their discretion, and commences on the date upon which the options are deemed to be granted and accepted.

The exercise price of share options is determinable by the directors of the Company, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

34. SHARE OPTION SCHEME *(Continued)*

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. Details of the specific categories of options are as follows:

Date of grant	**Vesting period**	**Exercise period**	**Exercise price** HK$
13 May 2021	13 May 2021	13 May 2021 – 12 May 2031	1.902*
16 June 2022	16 June 2022	16 June 2022 – 15 June 2032	1.216*
10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	2.970*

* *as adjusted*

For options granted on 13 May 2021, 16 June 2022 and 10 August 2023, if the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Number of share options	**Weighted average exercise price HK$**	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**5,373,213**	**2.33**	5,640,775	2.29
Adjusted as a result of rights issues	**813,611**	**2.03**	–	–
Forfeited during the year	**(39,145)**	**0.62**	(267,562)	1.49
Outstanding at the end of the year	**6,147,679**	**2.03**	5,373,213	2.33

34. SHARE OPTION SCHEME *(Continued)*

The estimated fair values of the options granted on 13 May 2021, 16 June 2022 and 10 August 2023 are approximately HK$2,992,000, HK$1,172,000 and HK$2,695,000 respectively.

At the date of approval of these consolidated financial statements, the number of share options permitted to be granted under the Scheme was 4,608,523 (2024: 4,608,523), representing 4.02% (2024: 5.55%) of the Company's shares in share as at that day.

These fair values were calculated using Binominal pricing model. The inputs into the model are as follows:

	10 August 2023	16 June 2022	13 May 2021
Share price at the date of grant	HK$3.23	HK$0.140	HK$0.245
Exercise price	HK$3.42	HK$0.140	HK$0.245
Expected volatility	76.59%	65.11%	68.33%
Expected life	10 years	10 years	10 years
Risk free rate	3.356%	3.23%	1.2%
Expected dividend yield	0%	0%	0%
Expected Early Exercise Multiple	2.2/2.8	2.2	2.2

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

No share-based payment expenses was recognised by the Group during the year ended 31 December 2025 (2024: approximately HK$1,764,000) in relation to the share options granted by the Company.

35. DISPOSAL/ACQUISITION OF SUBSIDIARIES

(a) Popsible Limited

On 6 June 2024, Gold Unity, a wholly-owned subsidiary of the Company, had entered into an agreement with an independent third party, JStage, pursuant to which Gold Unity has conditionally agreed to acquire, and JStage has conditionally agreed to sell 100% of the issued share capital of Popsible Limited (the "Target Company") at a consideration of HK$11,500,000 which to be settled by way of allotment and issue of the 11,500,000 consideration shares by the Company. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK$13,052,000.

The Target Company is engaged in provision of information technology and public relation services. The Target Company was acquired so as to expand the Groups business network and client base, strengthen its existing business.

The acquisition was completed on 12 July 2024. The closing price of the consideration shares was HK$1.35 at the completion date.

The fair value of the identifiable assets and liabilities of the Target Company acquired as at its date of acquisition is as follows:

Net assets acquired:	HK$'000
Trade receivables	2,528
Bank and cash balances	103
Other payables and accruals	(16)
Tax payable	(142)
Total identifiable net assets	2,473
Goodwill	13,052
	15,525
Satisfied by:	
11,500,000 ordinary shares of the Company	15,525
Net cash inflow arising on acquisition:	
Cash and cash equivalents acquired	103

The fair value of 11,500,000 ordinary shares of the Company issued as part of the consideration paid was determined on the basis of the closing market price of the Company's ordinary shares on the acquisition date. The fair value of the acquired identifiable assets and liabilities were valued by Valor Appraisal & Advisory Limited, an independent qualified professional valuer. The goodwill arising on the acquisition of the Target Company is attributable to the anticipated future operating synergies from the combination.

Included in the loss for the year for the year ended 31 December 2024 is HK$1,236,000 attributable to the additional business generated by the Target Company. Revenue for the year includes HK$1,818,000 generated from the Target Company.

35. DISPOSAL/ACQUISITION OF SUBSIDIARIES *(Continued)*

(b) Rosy Depot Limited

On 29 December 2025, the Group had entered into an agreement with an independent third party (the "Purchaser"), pursuant to which the Group has conditionally agreed to sell the entire issued share of Rosy Depot Limited ("Rosy Depot"), and the Purchaser has conditionally agreed to acquire the entire issued share capital of Rosy Depot at the consideration of HK$4,000,000.

On the same date, the Group disposed of the 100% equity interest in Rosy Depot.

Net assets at the date of disposal were as follows:

	HK$'000
Equity investments at fair value through other comprehensive income	5,750
Prepayments, deposit and other receivables	264
Other payables and accruals	(20)
Net assets disposal of a subsidiary	5,994
Loss on disposal of a subsidiary	(1,994)
Total consideration – satisfied by receivables from disposal (note 21(a))	4,000
Net cash outflow arising on disposal:	
Cash consideration received	1,000
Cash and cash equivalents disposed of	–
	1,000

Out of total consideration of HK$4,000,000, HK$1,000,000 was settled during the year ended 31 December 2025, whereas the remaining gross balance of HK$3,000,000 was included in "Prepayments, deposits and other receivables" as at 31 December 2025.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries *(Note)*	**–**	–
Right-of-use assets	**2,754**	709
Prepayments, deposits and other receivables	**560**	587
Total non-current assets	**3,314**	1,296
CURRENT ASSETS		
Amount due from subsidiaries *(Note)*	**222,903**	236,768
Prepayments, deposits and other receivables	**19,724**	17,452
Cash and bank balances	**13,138**	961
Total current assets	**255,765**	255,181
CURRENT LIABILITIES		
Other payables and accruals	**4,516**	6,622
Lease liabilities	**1,731**	755
Total current liabilities	**6,247**	7,377
NET CURRENT ASSETS	**249,518**	247,804
TOTAL ASSETS LESS CURRENT LIABILITIES	**252,832**	249,100
NON-CURRENT LIABILITIES		
Employee benefit obligations	**25**	–
Lease liabilities	**1,052**	–
Bonds	**5,101**	4,816
Total non-current liabilities	**6,178**	4,816
NET ASSETS	**246,654**	244,284
CAPITAL AND RESERVES		
Share capital	**11,474**	7,327
Reserves *(Note 37(b))*	**235,180**	236,957
TOTAL EQUITY	**246,654**	244,284

Note: As at 31 December 2025, ECL for amounts due from subsidiaries, and investment in subsidiaries are assessed and impairment loss allowance of approximately HK$443,546,000 (31 December 2024: approximately HK$461,380,000) is made on the amounts due from subsidiaries and investment in subsidiaries based on the Company's internal and/or external credit rating.

37. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations.

(iii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(iv) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

37. RESERVES *(Continued)*

(b) The Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2024	178,462	4,814	(5,978)	59,893	237,191
Loss for the year	–	–	–	(15,224)	(15,224)
Other comprehensive loss for the year:					
– Change in fair value of equity investments at fair value through other comprehensive income	–	–	(1,019)	–	(1,019)
Total comprehensive loss for the year	–	–	(1,019)	(15,224)	(16,243)
Forfeitures of share option	–	(205)	–	205	–
Equity-settled share-base payment *(note 34)*	–	1,764	–	–	1,764
Issue of share upon placing *(note 33)*	14,375	–	–	–	14,375
Expenses in issuance of shares under placing	(130)	–	–	–	(130)
Disposal of an equity investment at fair value through other comprehensive income	–	–	6,997	(6,997)	–
At 31 December 2024 and 1 January 2025	**192,707**	**6,373**	**–**	**37,877**	**236,957**
Loss for the year	**–**	**–**	**–**	**(34,446)**	**(34,446)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(34,446)**	**(34,446)**
Lapsed of share option	**–**	**(24)**	**–**	**24**	**–**
Issue of share upon placing *(note 33)*	**2,520**	**–**	**–**	**–**	**2,520**
Expenses in issuance of shares under placing	**(39)**	**–**	**–**	**–**	**(39)**
Issue of shares under rights issue *(note 33)*	**32,695**	**–**	**–**	**–**	**32,695**
Expenses in issuance of shares under rights issue	**(2,507)**	**–**	**–**	**–**	**(2,507)**
At 31 December 2025	**225,376**	**6,349**	**–**	**3,455**	**235,180**

37. RESERVES *(Continued)*

(c) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total borrowings divided by capital. Total borrowings included bond and bank and other loans. Capital represented the equity attributable to owners of the Company.

	2025	2024
	HK$'000	HK$'000
Bond	**5,101**	4,816
Bank and other loans	**55,805**	55,924
Total debt	**60,906**	60,740
Total equity	**170,460**	245,000
Gearing ratio	**36%**	25%

38. INVESTMENT IN JOINT VENTURES

	2025 **HK$'000**	2024 HK$'000
Cost of investment in joint ventures	***–**	*–
Share of loss in joint ventures	***–**	*–
	***–**	*–

* The balance represents an amount less than HK$1,000.

As at 31 December 2025 and 2024, the Group had interests in the following material joint operations:

Name of entity	**Form of entity**	**Place of operation**	**Percentage of attributable interest of the Group**		**Principal activities**
			2025	2024	
Peta Inc.	Limited liability company	BVI	**30%**	30%	Investment holding
Petaverse (Hong Kong) Limited	Limited liability company	Hong Kong	**30%**	30%	Dormant
Palm Karbon Inc	Limited liability company	BVI	**27.27%**	27.27%	Dormant

Note:

(a) On 15 June 2023, the Group has entered into a shareholders and cooperation agreement (the "JV Agreement") with an independent third party whereby the parties agreed to establish a joint venture company ("JV Company") to engage in the ownership and management of an e-Commerce platform and its respective membership and reward points program (collectively known as "Petaverse"). The business of the Petaverse focuses on the sales and marketing of pets-related products in the real world and in the Metaverse. Under the JV Agreement, the Group and the Independent Third Party will initially own 30% and 70% of the equity interest in the JV Company, respectively. No changes on the cooperation framework was noted for the years ended 31 December 2025 and 2024.

(b) In January 2024, the Group has entered into an agreement ("JV Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi (the "JV Business"). The joint venture has not started business for the years ended 31 December 2025 and 2024.

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued and paid-up capital/registered capital	Percentage of ownership interest		Principal activities
			2025	2024	
China Information Technology Development (Hong Kong) Limited	Hong Kong	HK$100	**100%**	100%	Office management
Macro Systems Limited	Hong Kong	HK$1,050,000	**84%**	84%	Provision of system integration and maintenance services in Hong Kong
Macro Systems (Guangzhou) Co., Ltd.**	PRC	HK$1,300,000	**84%**	84%	Provision of system integration and maintenance services in the PRC
DataCube Research Centre	Hong Kong	HK$100	**80%**	80%	Big data application
Logic Network Limited	Hong Kong	HK$10,000	**51%**	51%	Provision of telecommunications consultancy, cloud services, managed IT services, support consultancy and intelligent retail system services
Guangzhou Xinfeng Investment Consultancy Company Limited**	PRC	HK$101,400,000	**100%**	100%	Assets acquisition, management and consultancy services
Global Shine Investment Limited	Hong Kong	HK$1	**100%**	100%	Securities trading

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

* The amount of registered capital is HK$10 million and it is not yet injected.

** Wholly-foreign-owned enterprises.

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

The table below shows details of Macro China Holdings Limited and DataCube Research Centre Limited, the non-wholly owned subsidiaries of the Group at 31 December 2025 and 2024 that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Loss allocated to non-controlling interests HK$'000	Balance of non-controlling interests HK$'000
31 December 2025				
Macro China Holdings Limited	BVI	16%	(250)	(3,665)
DataCube Research Centre Limited	Hong Kong	20%	(396)	(7,480)
31 December 2024				
Macro China Holdings Limited	BVI	16%	(321)	(3,362)
DataCube Research Centre Limited	Hong Kong	20%	(407)	(7,084)

Summarised consolidated financial information prepared in accordance with HKFRS Accounting Standards before intragroup eliminations in respect of the subsidiaries that have material non-controlling interests are set out below.

	Macro China Holdings Limited and its subsidiaries	
	2025	2024
	HK$'000	HK$'000
Non-current assets	**6,487**	7,130
Current assets	**2,577**	5,703
Current liabilities	**(32,244)**	(33,657)

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

	Macro China Holdings Limited and its subsidiaries	
	2025	2024
	HK$'000	HK$'000
Revenue	**19,190**	22,306
Loss and total comprehensive expense	**(2,045)**	(2,002)
Cash flows used in operating activities	**(977)**	(1,632)
Cash flows used in investing activities	**(1,012)**	(12)
Cash flows generated from financing activities	**152**	1,718

	DataCube Research Centre Limited	
	2025	2024
	HK$'000	HK$'000
Non-current assets	**16**	354
Current assets	**892**	1,576
Current liabilities	**(38,092)**	(37,347)

	DataCube Research Centre Limited	
	2025	2024
	HK$'000	HK$'000
Revenue	**4,963**	4,222
Loss and total comprehensive expense	**(1,767)**	(2,033)
Cash flows used in operating activities	**(1,459)**	(2,472)
Cash flows used in investing activities	**(1,462)**	(1)
Cash flows generated from financing activities	**1,118**	1,383

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions

During the year ended 31 December 2025, the Group entered into two (2024: two) new lease agreements for the use of buildings for one to two years (2024: one to two years). On the lease commencement, the Group recognised approximately HK$3,843,000 (2024: HK$1,046,000) of right-of-use assets and approximately HK$3,843,000 (2024: HK$1,046,000) of lease liabilities.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Bonds HK$'000	Lease liabilities HK$'000	Bank and other loans HK$'000	Total Liabilities from financing activities HK$'000
1 January 2024	4,547	3,030	60,486	68,063
Change in cash flows	–	(2,536)	(4,086)	(6,622)
Non-cash changes				
– imputed interest	269	–	–	269
– gain on modification of lease liabilities	–	(102)	–	(102)
– interest charged	–	112	–	112
– additions of lease liabilities	–	1,046	–	1,046
– exchange differences	–	–	(476)	(476)
At 31 December 2024 and 1 January 2025	**4,816**	**1,550**	**55,924**	**62,290**
Change in cash flows	**–**	**(2,655)**	**(2,413)**	**(5,068)**
Non-cash changes				
– imputed interest	**285**	**–**	**–**	**285**
– loss on modification of lease liabilities	**–**	**166**	**–**	**166**
– interest charged	**–**	**124**	**–**	**124**
– additions of lease liabilities	**–**	**3,843**	**–**	**3,843**
– exchange differences	**–**	**12**	**2,294**	**2,306**
At 31 December 2025	**5,101**	**3,040**	**55,805**	**63,946**

41. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap of HK$1,500 per month. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

41. RETIREMENT BENEFIT SCHEMES *(Continued)*

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. No forfeited contribution is available to reduce the contribution payable in future years.

During the year ended 31 December 2025, the total contribution to the defined contribution schemes charged to profit or loss amounted to HK$1,055,000 (2024: HK$1,229,000).

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income in accordance with the employment contracts. Contributions to the plan vest immediately.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Forfeited contributions in respect of unvested benefits of employees leaving the Group's employment cannot be used to reduce ongoing contributions.

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments ("LSP") in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme with an overall cap of HK$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, The Government of the Hong Kong Special Administrative Region ("Government") gazetted the Amendment Ordinance, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

41. RETIREMENT BENEFIT SCHEMES *(Continued)*

Movement in the present value of refunded LSP obligation in the current year were as follows:

	2025	2024
	HK$'000	HK$'000
Opening unfunded obligation	**–**	–
Current service cost	**792**	–
Interest cost	**114**	–
Closing unfunded obligation	**906**	–

The significant actuarial assumptions used as at 31 December 2025 and 2024 are as follows:

	2025	2024
	HK$'000	HK$'000
Discount rate	**2.24% – 5.90%**	N/A
Salary growth rate	**2.00%**	N/A

42. RELATED PARTY TRANSACTIONS

Other than those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with its related parties during the year:

All members of key management personnel of the Group are the directors of the Company and their remuneration is disclosed in Note 11.

43. EVENTS AFTER THE REPORTING PERIOD

As from 31 December 2025 to the date of this report, no significant events have occured.

Five Year Financial Summary

31 December 2025

A summary of the results from and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published annual report and audited financial statements is set out below:

	Year ended 31 December				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
REVENUE	**34,464**	41,485	49,228	59,324	61,426
Loss before tax	**(100,731)**	(38,375)	(22,974)	(86,992)	(90,540)
Income tax credit/(expense)	**493**	(8)	80	1,380	124
Loss for the year	**(100,238)**	(38,383)	(22,894)	(85,612)	(90,416)
Attributable to:					
Owners of the Company	**(99,459)**	(37,634)	(22,755)	(82,295)	(90,326)
Non-controlling interests	**(779)**	(749)	(2,018)	(3,317)	(90)
	(100,238)	(38,383)	(24,773)	(85,612)	(90,416)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**252,212**	327,904	349,884	468,784	487,862
TOTAL LIABILITIES	**(81,752)**	(82,904)	88,944	(192,593)	(133,600)
NET ASSETS	**170,460**	245,000	260,940	276,191	354,262
Equity attributable to:					
Owners of the Company	**181,825**	255,531	270,759	284,021	358,859
Non-controlling interests	**(11,356)**	(10,531)	(9,819)	(7,830)	(4,597)
	170,460	245,000	260,940	276,191	354,262

Particulars of Property Interests

Particulars of property interests held by the Group as at 31 December 2025 are as follows:

Location	Use of Investment Properties	Tenure	Attributable interest of the Group
Investment properties			
A composite building situated in No. 123 Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC	Commercial, office and other use permitted by the laws and regulations of the PRC	Medium	100%

Prism

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Board of Directors
China Information Technology Development Limited
Unit 3308, 33/F,
Millennium City 6,
392 Kwun Tong Road, Kwun Tong,
Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Information Technology Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2025 and related notes as set out in Part A of Appendix II of the prospectus issued by the Company dated 11 June 2026 (the "Prospectus") in connection with the proposed rights issue of the Company (the "Unaudited Pro Forma Financial Information") on the basis of one rights share for every two existing shares held on the record date on a non-underwritten basis (the "Rights Issue"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group's financial position as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's consolidated financial statement for the year ended 31 December 2025, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Rules.

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising certificate number: P06318

Hong Kong, 11 June 2026

21 April 2026

China Information Technology Development Limited
(as Company)

and

Cheong Lee Securities Limited
(as Placing Agent)

PLACING AGREEMENT

in relation to the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares

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THIS AGREEMENT is dated 21 April 2026

BETWEEN:

(1) **China Information Technology Development Limited**, a company incorporated in the Cayman Islands with registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and having its principal place of business in Hong Kong at Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong, whose shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (stock code: 8178) (the "**Company**"); and

(2) **CHEONG LEE SECURITIES LIMITED**, a company incorporated in Hong Kong with limited liability and having its registered office situated at Room 16B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and a corporation licensed to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the Securities and Futures Ordinance.

WHEREAS:

(A) The Company was incorporated in the Cayman Islands with limited liability and the issued ordinary shares (the "**Share(s)**") of which are listed on the GEM of the Stock Exchange. At the date of this Agreement, the Company has an authorised share capital of HKD1,200,000,000 divided into 12,000,000,000 Shares of par value of HKD0.1, of which 114,739,700 Shares have been issued and are fully paid or credited as fully paid and are listed on GEM of the Stock Exchange of Hong Kong Limited (stock code:8178).

(B) As at the date of this Agreement, there are 6,030,771 unexercised share options granted by the Company pursuant to the share option schemes of the Company, all of which are exercisable on or before the Record Date (the "**Outstanding Share Options**"). Except for the Outstanding Share Options, the Company has no outstanding share options, warrants, convertible bonds or other securities in issue which confer any right to subscribe for, convert or exchange into Shares.

(C) The Company has proposed, by way of a rights issue ("**Rights Issue**"), to offer the rights shares ("**Rights Share(s)**") to the qualified shareholders ("**Qualified Shareholders**") on the basis of one (1) Rights Share for every two (2) Shares held by the Qualified Shareholders (as defined below) registered as such on the record date.

(D) The Company has determined by Board (as defined below) resolution to offer, subject to, among others, the fulfilment of the conditions of the Rights Issue, up to 57,369,850 Rights Shares (as defined below) (there is no change to the total issued capital of the Company on or before the Record Date) for subscription by the Qualifying Shareholders (as defined below) by way of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HKD0.18 per Rights Share payable in full on application and otherwise on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents (as defined below).

(E) The offer of the Rights Shares for subscription as abovementioned will be made by the issue of the Prospectus Documents to the Qualifying Shareholders.

(F) Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms, to be issued under the Rights Issue.

(G) Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company in the Rights Issue must make compensatory arrangement to dispose of the Rights Shares not validly applied for by the Shareholders for the benefit of those Shareholders.

(H) Subject to the terms and conditions set out in this Agreement, the Company agrees to appoint the Placing Agent, and the Placing Agent agrees to act, as the placing agent of the Company to procure, on a best efforts basis, places to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares (the "**Placing Shares**") at the Placing Price.

IT IS HEREBY AGREED:

1. INTERPRETATION

1.1 In this Agreement, including the recitals and schedule hereto, unless the context otherwise requires:

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code;
"AFRC"	the Accounting and Financial Reporting Council;
"Agreement"	this placing agreement as amended and supplemented from time to time;
"Announcement"	announcement to be made by the Company (including any amendments or supplements thereto) concerning, inter alia, the Rights Issue in such form as may be agreed by the Company and the Placing Agent (acting reasonably);
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules;
"Board"	the board of Directors;
"Business Day"	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday, a Sunday or a public holiday;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"Company's Warranties"	the representations and warranties given by the Company as set out in Clause 4.1;

"connected person(s)"	has the meaning ascribed to it in the GEM Listing Rules;
"Director(s)"	director(s) of the Company;
"Encumbrance"	any interest or equity of any person (including any right to acquire, option or right of pre-emption), voting arrangement, mortgage, charge, pledge, bill of sale, lien, claims, deposit, hypothecation, assignment or any other encumbrance, priority or security interest or arrangement or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant shares, assets or property;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries;
"HKD"	Hong Kong dollar, the lawful currency of Hong Kong;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Third Party(ies)"	third party(ies) independent of the Company and connected persons of the Company;
"Latest Time for Acceptance"	4:00 p.m. on 26 June 2026 or such later date and/or time as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares under the Rights Issue;
"Latest Time for Termination"	5:00 p.m. on 24 July 2026 or such later date/time as may be agreed between the Company and the Placing Agent in writing;
"GEM Listing Committee"	the GEM listing committee of the Stock Exchange;
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the Placees after deducting (i) the aggregate amount of the Subscription Price of the Placing Shares placed by the Placing Agent under this Agreement); and (ii) the aggregate amount of all reasonable expenses or fees incurred by the Company and the Placing Agent;

"No Action Shareholders"	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed;
"Non-Qualifying Shareholder(s)" or "NQS"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"NQS Unsold Rights Share(s)"	the Rights Shares which would otherwise have been provisionally allotted to the Overseas Shareholders in nil-paid form that have not been sold by the Company;
"Overseas Shareholder(s)"	those Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong whom the Directors, after making relevant enquiry as required under the GEM Listing Rules, consider their exclusion from the Rights Issue to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"PAL(s)"	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue;
"Party(ies)"	a named party to this Agreement and its respective successors and permitted assigns;
"Placed Shares"	the number of Placing Shares as notified by the Placing Agent pursuant to Clause 2.6(a);
"Placee(s)"	Any individuals, corporate, institutional investors or other investors who are professional investors as defined under the SFO procured by the Placing Agents and/or their subplacing agents to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; The Unsubscribed Rights Shares and the NQS Unsold Rights Shares shall only be offered (i) to professional, institutional and other investor(s) who and whose ultimate beneficial owner(s) shall be Independent Third Parties; and (ii) no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing;

	The Placing Agent shall also ensure that the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue;
"Placing"	the placing of the Placing Shares by the Placing Agent pursuant to this Agreement;
"Placing Agent Delegates"	has the meaning given to it in Clause 2.3;
"Placing Agent's Warranties"	the representations and warranties as set out in Clauses 5.1 and 5.2 given by the Placing Agent;
"Placing Completion"	completion of the Placing;
"Placing Completion Date"	has the meaning given it to in Clause 6.1;
"Placing Period"	the period commencing from Wednesday, 8 July 2026 and ending at 4:00 p.m. on Thursday, 23 July 2026, or such later date/time as may be agreed between the Company and the Placing Agent in writing;
"Placing Price"	not less than HKD0.18 per Placing Share (being the Subscription Price for the Rights Shares pursuant to the Rights Issue) and the final price shall be determined by the Placing Agent with the agreement of the Company based on the demand for and the market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the process of placement;
"Placing Shares"	has the meaning defined in Recital (H);
"Prospectus"	the prospectus to be despatched to the Shareholders containing details of the Rights Issue;
"Prospectus Documents"	the Prospectus and the PAL;
"Public Float Requirement"	the public float requirement under Rules 11.23 of the GEM Listing Rules;
"Qualifying Shareholders"	the persons whose name appear on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholders;
"Record Date"	the date by reference to which entitlements to the Rights Issue are to be determined, details of which will be set out in the Prospectus;

"Registrar"	Computershare Hong Kong Investor Services Limited, being the Hong Kong branch share registrar and transfer office of the Company;
"Rights Issue"	the proposed offer for subscription by the Qualifying Shareholders for the issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents;
"Rights Share(s)"	up to 57,369,850 Rights Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders pursuant to the Rights Issue, assuming no change in the number of Consolidated Shares in issue on or before the Record Date;
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
"Share(s)"	the ordinary share(s) with a par value of HKD0.1 each in the share capital of the Company, and a "**Share**" means each and any one of such shares;
"Shareholder(s)"	holder(s) of issued Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscription Price"	HKD0.18 per Rights Share;
"subsidiary"	has the meaning ascribed to it under section 15 of the Companies Ordinance (Cap. 622, Laws of Hong Kong);
"Takeovers Code"	the Codes on Takeovers and Mergers and Share buy-backs of the SFC;
"Unsubscribed Rights Share(s)"	the Rights Shares that are not subscribed by the Qualifying Shareholder(s) or renounce(s) or transferee(s) of the nil-paid Rights Shares under the PAL(s).

1.2 In this Agreement, references to "Clauses", "sub-Clauses" and the "Schedule" are to clauses and sub-clauses of and the schedule to this Agreement.

1.3 In this Agreement, the singular includes the plural, words importing one gender include the other gender and the neuter and references to persons include bodies corporate or unincorporate, in each case vice versa.

1.4 Headings of this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

1.5 Any reference to a document being "in the agreed form" means in the form of the document or the draft thereof signed for identification on behalf of each of the Parties with (in the case of a draft) such alterations (if any) as may be agreed between the Parties.

2. PLACING

2.1 Subject to the terms and conditions of this Agreement, the Company appoints the Placing Agent, and the Placing Agent agrees to act, as placing agent of the Company to procure, on a best efforts basis, Placees to subscribe for the Placing Shares during the Placing Period at the Placing Price (together with any brokerage commission, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, stamp duty (if any) and any other applicable fees and charges as may be payable by the Placees). If all or any of the Placing Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders on a pro-rata basis in Hong Kong dollars, provided that any individual amount of less than HKD100 to which a No Action Shareholder would otherwise be entitled shall be retained by the Company for its own benefit.

2.2 Any transaction legally and properly carried out by the Placing Agent and/or its Placing Agent Delegates (as defined in Clause 2.3 below) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its agent and not on account of or for the Placing Agent. Subject to the terms of this Agreement, the Placing Agent and/or its Placing Agent Delegates shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, default or negligence on the part of the Placing Agent and/or its Placing Agent Delegates, or as a result, directly or indirectly, from material and irremediable breach by the Placing Agent or any of the Placing Agent Delegates of its obligations under this Agreement) to the Company arising from any such transaction.

2.3 The Placing Agent may, in its absolute discretion and at its own costs, appoint its delegate(s), affiliate(s) ("**affiliates**" means any of the holding companies of the Placing Agent and the subsidiaries of any of such holding companies) or sub-placing agent(s) (collectively referred to as the "**Placing Agent Delegates**") to procure subscribers for the Placing Shares with such authorities and rights as the Placing Agent has pursuant to its own appointment under Clause 2.2, provided that the Placing Agent shall remain liable for all acts and omissions of any of such Placing Agent Delegates and shall procure the compliance by all Placing Agent Delegates with all relevant obligations and provisions to which the Placing Agent is subject or by which the Placing Agent is bound pursuant to this Agreement.

2.4 The Company hereby confirms that the foregoing appointment confers on the Placing Agent and/or its Placing Agent Delegates in accordance with the provisions hereof all powers, authorities and discretions on its behalf which are necessary for, or reasonably incidental to, the Placing and hereby agrees to ratify and confirm everything which the Placing Agent and/or its Placing Agent Delegates shall lawfully and reasonably do or have done pursuant to or in anticipation of the terms of this Agreement.

2.5 (a) The Placing Shares shall be offered by the Placing Agent and/or its Placing Agent Delegates as agent for the Company during the Placing Period at the Placing Price in board lots of 2,000 Shares.

(b) The choice of Placees for the Placing Shares shall be determined solely by the Placing Agent and/or its Placing Agent Delegates subject to the requirements of the GEM Listing Rules and/or any objection the Stock Exchange may have to any particular institutional, corporate or individual investors who are professional investors as defined under the SFO (Cap 571) being a Placee. The Placing Agent and/or its Placing Agent Delegates shall, based on the representations by the Placees, confirm that none of the Placees shall be a party acting in concert (as defined in the Takeovers Code) with any of them or other Placees. The Placing Agent will ensure that each of the Placees and their respective ultimate beneficial owners are Independent Third Parties.

(c) the Placing Agent undertakes to use its best endeavours to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholders will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.

2.6 The Placing Agent shall, as soon as practicable and in any event before the end of the Placing Period:

(a) notify the Company of the number of Placing Shares (i.e. the "**Placed Shares**") required to be issued by the Company and the denomination of each such certificate and in the case of CCASS settlement, details of the Stock Accounts (as defined in the General Rules) for the deposit of the Placed Shares; and

(b) provide the Stock Exchange and/or the relevant regulatory authorities written confirmations (in such form as the Stock Exchange may require) of the independence of the Placees and particulars of the Placees. The particulars of the Placees to be so provided shall include without limitation the names, addresses, number of Placed Shares and such other information as required by the Stock Exchange and/or the relevant regulatory authority or governmental agency in Hong Kong for delivery to the Stock Exchange and/or the relevant authority or governmental agency in Hong Kong.

2.7 The Placed Shares, when allotted and issued by the Company hereunder, shall be free and clear from all Encumbrances and with all rights attaching thereto as at the Placing Completion Date, including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Placed Shares, the record date of which shall fall on or after the Placing Completion Date.

2.8 The Company agrees that the Placing Agent shall not be responsible for any losses or damages (except for losses or damages resulted from the negligence, default or fraud of the Placing Agent or any of its Placing Agent Delegates involved in the Placing or as a result, directly or indirectly, from non-compliance by the Placing Agent or any of its Placing Agent Delegates with its obligations under this Agreement as finally adjudged

by a competent court of Hong Kong) suffered by or caused to the Company or any of its subsidiaries directly or indirectly arising from or in connection with any transaction or matter pursuant to or relating to this Agreement or the performing of the terms or its obligations hereunder.

3. CONDITIONS PRECEDENT

3.1 Placing Completion is conditional upon:

(a) The GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions);

(b) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained; and

(c) this Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

3.2 None of the conditions of the Placing as set out in Clause 3.1 above can be waived. The Company shall use its reasonable endeavours to procure fulfilment of the conditions as set out in Clause 3.1(a) above and for such purpose, the Company shall furnish such information, supply such documents, pay such fee, give such undertakings, and do all such acts and things as may reasonably be required in connection with the fulfillment of such conditions.

3.3 If the conditions set out in Clause 3.1 above have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the Parties hereunder in relation to the Placing shall cease and determine and neither of the Parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under this Agreement prior to such termination.

3.4 The Placing Agent undertakes to use its best endeavours to assist the Company in procuring that the conditions of the Placing are fulfilled on or before the Latest Time for Termination, including but not limited to the delivery by the Placing Agent of the documents set out under Clause 2.6.

3.5 For the avoidance of doubt, if all the Rights Shares are already fully taken up in the Rights Issue, the Placing will not proceed.

4. COMPANY'S WARRANTIES

4.1 The Company hereby unconditionally and irrevocably represents and warrants to the Placing Agent that:

(a) the Company is duly incorporated and validly existing under the laws of the Cayman Islands with power to conduct its business in the manner presently

conducted and the information contained in the recitals to this Agreement is true and accurate;

(b) the Placed Shares shall be allotted and issued in accordance with the constitutional documents of the Company and shall rank pari passu in all respects inter se and with all other Shares then in issue;

(c) subject to fulfilment of the conditions as set out in Clause 3.1, the Company has all powers and authorities to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of the Company;

(d) the Placed Shares shall, on allotment and issue, be free from all Encumbrances together with all rights attaching thereto as at the date of this Agreement including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the Placing Completion Date; and

(e) the information in the Announcement is true and accurate in all material respect, and the Company (i) accepts full responsibilities for the accuracy of all information and facts provided to the Placing Agent in relation to the Placing; (ii) warrants that no other information or facts will be withheld, the omission of which will make the information or facts provided to the Placing Agent incorrect or misleading in a material respect; and (iii) will notify the Placing Agent as soon as practicable should such omission or inaccuracy come to the attention of the Directors.

4.2 The Company agrees and acknowledges that the Placing Agent is entering into this Agreement in reliance on the Company's Warranties.

4.3 All Company's Warranties are deemed to be made by the Company on the date of this Agreement and on the Placing Completion Date.

4.4 None of the Company's Warranties shall be limited or restricted by reference to or inference from the terms of any other Company's Warranties or any other term of this Agreement.

5. PLACING AGENT'S WARRANTIES

5.1 The Placing Agent undertakes to the Company that:

(a) the Placing will be a private placement of securities and not an offer to the public within the meaning of the laws of Hong Kong and will be effected by telephone conversations leading to concluded contracts without the despatch of documents until after legally binding commitments to subscribe for Placing Shares have been obtained from each Placee;

(b) the Placing Agent will ensure that the terms and conditions on which each Placee will subscribe for the Placing Shares, and the number of such Placing

Shares to be subscribed, are covered in precise terms and agreed with each Placee as set out in the placing letter and will not make any representation in connection with the Placing Shares other than contained in this Agreement, the Prospectus or previously approved by the Company;

(c) the Placing Agent has not offered or sold and it shall not, directly or indirectly, offer or sell any Placing Shares or distribute or publish any documents in relation to the Placing in any country or in any jurisdiction other than Hong Kong except under circumstances that shall result in compliance with any applicable laws and all offers and sales of Placing Shares shall be made on such terms; and

(d) it shall at all times comply with all rules, regulations and guidelines applicable to the Placing of the Stock Exchange and codes of the SFC in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfillment and compliance.

5.2 The Placing Agent represents and warrants to the Company that:

(a) it has full power to enter into this Agreement and to perform its obligations under this Agreement;

(b) all corporate and other actions required to authorise its execution of this Agreement and performance of its obligation under this Agreement have been duly taken; and

(c) this Agreement is a legal, valid and binding agreement on the Placing Agent and enforceable in accordance with the terms hereof.

5.3 The Placing Agent agrees and acknowledges that the Company is entering into this Agreement in reliance on the Placing Agent's Warranties.

5.4 The Placing Agent's Warranties are deemed to be made by the Placing Agent on the date of this Agreement and on the Placing Completion Date.

5.5 None of the Placing Agent's Warranties shall be limited or restricted by reference to or inference from the terms of any other Placing Agent's Warranties or any other term of this Agreement.

6. PLACING COMPLETION

6.1 Subject to the fulfilment or waiver (as the case may be) of the conditions of the Placing set out in Clause 3.1 above, Placing Completion shall take place on the fourth Business Day immediately after the fulfilment or waiver (as the case may be) of all the conditions set out in Clause 3.1 (the "**Placing Completion Date**") upon which:

(a) the Placing Agent shall pay to the Company the aggregate Placing Price of the Placed Shares in respect of which the Placing Agent has successfully procured Placees (less the amounts referred to in Clause 7 which the Placing Agent shall

be entitled to deduct and pay), the payment of which shall constitute a complete discharge of the obligations of the Placing Agent hereunder and such payment shall be made by way of cashier order or by telegraphic transfer to a bank account designated by the Company in Hong Kong or other settlement method allowed by the Company;

(b) the Company shall allot and issue the Placed Shares in accordance with the details delivered by the Placing Agent under Clause 2.6(a) and shall register without registration fee all such allottees as members and deliver or cause to be delivered to the Placing Agent the following documents:

(i) definitive documents of title in respect of the Placed Shares in favour of the persons so registered and in accordance with their respective entitlements hereto in board lots or as they may request or deposit the same in CCASS in accordance with the instructions of the Placing Agent under Clause 2.6(a); and

(ii) a copy of the Board resolution or the committee or person authorised by the Board authorising the allotment and issue of the Placed Shares, and a copy of each of the irrevocable instruction letters, placing forms and other documents issued by the Company to the Registrar required for the deposit by the Placing Agent of the Placed Shares in CCASS; and deliver to the Placing Agent a copy of its written instruction to the Registrar to update the register of members of the Company to reflect the issue of the Placed Shares.

7. COMMISSIONS-AND-EXPENSES

7.1 Subject to the Placing Completion taking place, the Company shall also pay a placing commission in Hong Kong Dollars, of 1% of the amount (the "**Placing Commission**") which is equal to the Placing Price multiplied by the number of the Placing Shares that have been successfully placed by the Placing Agent pursuant to the terms of this Agreement. The Placing Agent is hereby authorised to deduct the Placing Commission from the payment to be made by it to the Company at Placing Completion pursuant to Clause 6.1(a).

7.2 The Company shall be liable for the costs and expenses of the Placing Agent (including without limitation, legal and other professional advisers' fees and disbursements, and out-of-pocket expenses properly and reasonably incurred in connection with the Placing and their associated transactions) which shall be subject to the prior written approval from the Company.

7.3 The Company will be responsible for all costs and expenses in connection with the allotment and issue of all the Placing Shares to be allotted and issued under this Agreement and registration of the Placees (including capital duty (if any), SFC transaction levy, AFRC transaction levy, Stock Exchange trading fees and the fee of the Company's registrars).

8. TERMINATION

8.1 Notwithstanding anything contained in this Agreement, the Placing Agent may terminate this Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or would materially prejudice the success of the Placing or full placement of all of the Placing Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in this Agreement if there develops, occurs or comes into force:

(a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would affect the success of the Placing; or

(c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or

(d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent' s reasonable opinion would affect the success of the Placing; or

(e) any breach of any of the representations and warranties set out in Clause 4.1 comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Placing Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of this Agreement; or

(f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would

materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

8.2 Upon the giving of notice pursuant to Clause 8.1, all respective obligations of either party under this Agreement shall cease and determine and neither Party shall have any claim against the other Party in respect of any matter arising out of or in connection with this Agreement except for:

(a) any antecedent breach of any obligation under this Agreement; and

(b) liabilities under Clauses 4 and 7.

9. INDEMNIFICATION AND NO CLAIM

9.1 The Company undertakes to indemnify the Placing Agent and the Placing Agent Delegates and each of their respective directors and employees who shall have been involved in the Placing (the "**Indemnified Parties**") against all or any claims, actions, liabilities, demands, proceedings or judgments (the "**Proceedings**") brought or established against any of the Indemnified Parties by any subscriber or purchaser of any of the Placed Shares or by the Stock Exchange, any governmental agency, regulatory body or other person, directly or indirectly arising out of the lawful performance of any of the provisions of this Agreement and against all losses and all reasonable costs, charges and expenses (including legal fees as they are reasonably incurred) which any of the Indemnified Parties may suffer or incur as a result therefrom (except for any loss, costs, charge or expense suffered or incurred directly or indirectly as a result of or in connection with any fraud, wilful default or negligence on the part of the Indemnified Parties), including, but not limited to, all such losses, reasonable costs charge or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its right to be indemnified pursuant to this Clause and/or in seeking advice in relation to any Proceedings, provided that the aforesaid indemnity shall not be provided to the Indemnified Parties against any loss, damages, cost, charge or expense arising directly or indirectly out of any fraud, wilful default or gross negligence on the part of the Indemnified Parties or directly or indirectly as a result of any non-compliance by the Indemnified Parties with their obligations under this Agreement.

9.2 No claim shall be made against the Placing Agent or any other Indemnified Parties to recover any damage, cost, charge or expense which the Company or any of its subsidiaries may suffer or incur by reason of or arising from the carrying out by any of the Indemnified Parties of any act or omission in connection with the Placing except for any loss or damage arising directly or indirectly out of any fraud, wilful default or gross negligence on the part of the Placing Agent or any of the Placing Agent Delegates, or any non-compliance by the Placing Agent or any of the Placing Agent Delegates with its obligations under this Agreement.

9.3 Without prejudice to Clause 9.1, the Company shall indemnify and keep effectively indemnified the Placing Agent from and against all losses and damages which it may suffer, sustain or reasonably incur in connection with any of the Company's

Warranties not being correct, complied with, fulfilled or performed in accordance with their terms.

10. ANNOUNCEMENT AND PROSPECTUS

10.1 Subject to the approval by the Stock Exchange, the Company shall arrange for the Announcement to be published on the websites of the Company and the Stock Exchange, respectively, as soon as reasonably practicable following the signing of this Agreement.

10.2 The Company shall use its reasonable endeavours to procure the despatch of the Prospectus Documents to the Qualifying Shareholders and for information only. The Company shall deliver to the Placing Agent a certified copy of the Board resolutions approving the Prospectus Documents and authorising the despatch thereof as soon as reasonably practicable and in any event within two (2) Business Days from the relevant date of despatch of such documents.

10.3 Other than the Announcement and the Prospectus Documents and save as expressly required hereunder or as otherwise required by the Stock Exchange or the SFC or agreed between the Parties, no public announcement or communication to Shareholders or to the Stock Exchange or to the SFC concerning the Company and/or its subsidiaries in relation to the Rights Issue shall be made or despatched by the Company or the Placing Agent between the date hereof and the Placing Completion Date.

11. MISCELLANEOUS

11.1 This Agreement constitutes the entire agreement and understanding between the Parties in connection with the subject-matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and neither Party has relied on any such proposals, representations, warranties, agreements or undertakings.

11.2 This Agreement may be executed in any number of counterparts and on separate counterparts, each of which shall be binding on the Parties who shall have executed it but which shall together constitute but one agreement.

11.3 Any date or period mentioned in any Clause may be extended by mutual agreement between the Parties, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

11.4 No time or indulgence given by any Party to the other shall be deemed or in any way be construed as a waiver of any of its rights and remedies hereunder.

11.5 If at any time any one or more of the provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

11.6 The Parties hereto shall execute all such documents and do all such acts and things as shall be required by the Stock Exchange or are reasonably necessary or desirable to effect or give all Parties the full benefit of this Agreement.

11.7 Any variation to this Agreement shall be binding only if it is recorded in a document signed by all Parties.

11.8 Any right or remedy conferred by this Agreement on any Party for breach of this Agreement by the other Party (including but without limitation the breach of any representations and warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach.

11.9 This Agreement shall be binding on and ensure to the benefit of each Party's respective successors and permitted assigns. The Placing Agent may assign to any person or persons the benefit of the representations, warranties and undertakings contained herein (in whole or in part). The Company shall not assign any of its rights under this Agreement (all of which shall be incapable of assignment) or purport to do so.

12. NOTICES

12.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively "**communication**" in this Clause 12) shall be in writing in the English language and may be served or given personally or sent to the address or facsimile numbers (if any) stated after the relevant Party's name at the beginning of this Agreement or, where relevant, to the registered office for the time being of the Party to be served, or to such other address (which must be in Hong Kong) as may have been last notified in writing by such Party to the Party serving the communication specifically referring to this Agreement. All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch.

12.2 Any notice delivered personally shall be deemed to be received when delivered and any notice sent by pre-paid registered post shall be deemed (in the absence of evidence of earlier receipt) to be received 2 days after posting and in proving the time of despatch it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and posted. Any notice sent by facsimile shall be deemed to have been received upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient and provided that a hard copy of the notice so served by facsimile was posted or delivered by hand on the same day as the notice was served by facsimile or on the immediately subsequent day. Any notice received or deemed to be received on a Saturday, Sunday or public holiday in Hong Kong shall be deemed to have been received on the next Business Day.

12.3 The respective addresses and fax nos. of the Company and the Placing Agent are as follows:-

The Company

Address	:	Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong
Email Address	:	info@citd.com.hk
Attention	:	The Board of Directors

Placing Agent

Address	:	Room 16B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
Facsimile number	:	(852) 3426 2674
Attention	:	Mr Antony Kwok/ Darren Yuen

12.4 Nothing in this Clause 12 shall preclude the service of communication or the proof of such service by any mode permitted by law.

13. GOVERNING LAW AND JURISDICTION

13.1 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the Parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

13.2 No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) by a person who is not a party to this Agreement.

IN WITNESS whereof the Parties or their duly authorised representatives have executed this Agreement on the date first before appearing,

THE COMPANY

SIGNED by	)
for and on behalf of	)
China Information Technology Development Limited	)
	)
	)
	)
	)
in the presence of:-	)

THE PLACING AGENT

SIGNED by)
for and on behalf of)
Cheong Lee Securities Limited)
)
)
)
)
)
in the presence of:-)

For and on behalf of
CHEONG LEE SECURITIES LIMITED
昌 利 證 券 有 限 公 司

.....
Authorized Signature(s)

Dated the 29 December 2025

China Information Technology Limited
(as **"Vendor"**)

and

Sin Ka Ka
(as **"Purchaser"**)

SALE AND PURCHASE AGREEMENT

relating to share capital of
Rosy Depot Limited
(the "Company")

THIS AGREEMENT is made on 29 December 2025
BETWEEN

(1) China Information Technology Development Limited, a company incorporated in the Cayman Islands and listed on the GEM of The Stock Exchange of Hong Kong Limited (Stock Code: 8178) with its registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands ("the Vendor"); and

(2) Sin Ka Ka ("the Purchaser"), (HKID Card No.: K226461(7), with residential address at G-2/F, Block 102, 233 Kam Tin Road, Seasons Villas, Yuen Long, New Territories, Hong Kong.

WHEREAS:-

(A) Rosy Depot Limited, a private company incorporated in the British Virgin Islands with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Tortola, VG1110, British Virgin Islands (the "Company"). The Company has an issued share capital of US$1 divided into 1 ordinary share (the "Share").

(3) As at the date of this Agreement, the Company holds 1,600,000 Class A ordinary shares of Global Engine Group Holding Limited, a company incorporated in the British Virgin Islands and listed on the Nasdaq (Stock Code: GLE).

(B) The Vendor legally holds 1 share, representing 100% of the issued share capital of the Company. The Vendor agrees to sell, and the Purchaser agrees to purchase 1 share, representing 100% shareholdings of the Company (the "Sale Share").

(C) The Vendor is the registered and beneficial owner of the Sale Share.

(D) The parties hereto have agreed to sign this Agreement for the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement and the Recitals hereto unless otherwise expressed or required by context, the following expressions shall have the respective meanings set opposite thereto, as follows:-

Expression	Meaning
"Business Day"	any day other than a Saturday, Sunday or public holiday on which The Hongkong and Shanghai Banking Corporation Limited is open for business in Hong Kong
"Closing"	closing of the sales and purchase of the Sale Share in accordance with the terms and conditions of the Agreement
"HK$"	Hong Kong dollars
"US$"	United States dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Consideration"	HK$4,000,000 to be paid by cash
"Sale Shares"	the 1 share beneficially owned by the Vendor representing 100% issued share capital of the Company
"Share"	all shares in the capital of the Company
"Warranties"	the warranties, representations, and undertakings given by the Vendor to the Purchaser hereunder

1.2 The headings to the Clauses of this Agreement are for ease of reference only and shall be ignored in interpreting this Agreement.

1.3 References to Clauses, Schedules, Recitals and Annexures are references to clauses, schedules, recitals and annexures of this Agreement and all shall form part of this Agreement.

1.4 Words and expressions in the singular include the plural and vice versa and words importing a gender include every gender.

1.5 References to person include any public body and any body of persons, corporate, unincorporated associations and partnership.

1.6 References to Ordinances, statutes, legislation or enactments shall be construed as references to such Ordinances, statutes, legislation or enactments as may be amended or re-enacted from time to time and for the time being in force.

2. SALE AND PURCHASE OF SHARE

2.1 Subject to the terms and conditions of this Agreement, the Vendor as beneficial owner hereby agrees to sell and the Purchaser hereby agrees to purchase at the Purchase Price the Sale Shares free from any and all options, liens, charges and encumbrances or third party rights of whatsoever nature and with all rights now or hereafter becoming attached thereto (including, the right to receive all dividends and distributions declared, made or paid on or after the date hereof).

2.2 Subject to the terms and conditions of this Agreement, it is agreed that the Consideration is to be paid by the Purchaser to the Vendor on the Closing Date by transferring the consideration to the designated bank account of the Vendor.

3. CONDITIONS PRECEDENT

3.1 Between the date hereof and until the Closing Date, the Vendor shall retain 1,600,000 Class A ordinary shares of Global Engine Group Holding Limited.

4. CONSIDERATION

4.1 The Consideration for the Sale Share shall be the sum of HK$4,000,000, which shall be paid to the Vendor under the following schedule: HK$1,000,000 on Closing; HK$1,000,000 within 30 days after the Closing; and remaining

HK$2,000,000 within 60 days after the Closing.

4. COMPLETION

4.1 Closing shall take place on the fourteenth (14th) Business Day after the day on which the conditions precedent of this Agreement have been satisfied or, as the case may be, waived by the Party entitled to that condition or such other day as the Parties otherwise agree in writing:-

(a) the Vendor shall deliver or procure the delivery to the Purchaser the following:-

(i) instruments of transfer duly signed by the Vendor in favour of the parties as directed by the Purchaser in relation to the Sale Shares;

(ii) share certificate in respect of the Sale Share;

(iii) the original certificate of incorporation and a copy of the Memorandum and Articles of Association of the Company;

(iv) the statutory books of the Company made up to date and any unissued share certificates, and such other statutory records of the Company as may exist;

(vi) any necessary resolution and consent from every director of the Company to give effect to the entry into and performance by the Vendor of this Agreement; and

(ix) updated Certificate of Incumbency of the Vendor and the Company.

(b) the Vendor will cause a meeting of the board of director(s) of the Company to be held at which resolutions shall be passed to approve the transfer of the Sale Shares and the issue of new certificate for the Sale Share in the name of the Purchaser

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

5.1 The Vendor warrants to the Purchaser that the Company and its subsidiaries have been duly incorporated and organised, and is validly existing in good standing, under the laws of its place of incorporation.

5.2 The Company has no outstanding options, warrants, right to subscribe for any share or loan capital or securities convertible into shares, or agreed conditionally or unconditionally to grant any such option or issue any such warrants or right and has not entered into any agreement which requires or may require or confers any right to require the issue by it of any shares or loan capital or securities convertible into shares or options or warrants or rights to subscribe for any shares or loan capital or securities convertible into shares.

6. SEVERABILITY

If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

7. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties hereto in connection with the sale and purchase of Share under this Agreement and supersedes all previous negotiation proposals, representations, understanding, warranties, agreements or undertakings relating thereto whether oral, written or otherwise.

8. TIME

8.1 Time shall be of the essence of this Agreement in every respect.

8.2 No time or indulgence given by any party to the other shall be deemed or in any way be construed as a waiver of any of its rights and remedies hereunder.

9. ASSIGNMENT

This Agreement shall not be assignable by any party hereto without the consent of the other party whose consent shall not be unreasonably withheld.

10. NOTICES AND OTHER COMMUNICATIONS

All notices, requests, reports, submissions and other communications permitted or required to be given under this Agreement shall be deemed validly served by hand delivery or by fax or by telex or by prepaid registered letter sent through the post to the parties' addresses given hereinbelow until such time as any party shall give to the other party hereto not less than 5 Business Days prior written notice of a change of address in accordance with the provisions hereof and any notice served by hand shall be deemed to have been served on delivery, any notice served by fax or by telex shall be deemed to have been served on receipt of answerback advice, and any notice served by prepaid registered letter shall be deemed to have been served 3 Business Days after the time at which it was posted and in proving service it shall be sufficient to prove that the notice was properly addressed and delivered or sent or posted, as the case may be.

11. COSTS AND EXPENSES

The parties shall bear their own legal and professional fees, stamp duties, costs and expenses in the preparation and completion of this Agreement, and any other documents in relation thereto and in connection with the sale and purchase herein. The parties also hereby expressly state that he/she has consulted his/her own independent lawyers and/or other professional party(ies) before entering into this Agreement.

12. INTELLECTUAL PROPERTY RIGHTS

The Vendor agrees that the Purchaser shall have rights to use the intellectual property rights registered under the Company's name (if any), *inter alia*, any trademarks, copyrights and patents. Any license agreement may be reached if requested or necessary with regard to the use of any above-mentioned intellectual property rights.

13. GOVERNING LAW AND JURISDICTION

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong Courts.

14. OTHER PROVISIONS

It is hereby declared that (if the context permits or requires) words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine gender and the neuter gender; words importing persons shall include corporation.

[Signature page to follow]

AS WITNESS whereof the parties hereto have signed this Agreement on the date set forth on the first page of this Agreement.

SIGNED by)
Sin Ka Ka)
in the presence of:)
)
)

SIGNED by)
Wong King Shiu, Daniel)
for and on behalf of)
China Information Technology)
Development Limited)
in the presence of:)

Dated 19 November 2025

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
中國信息科技發展有限公司

and

GLORY SUN SECURITIES LIMITED

PLACING AGREEMENT

relating to the placing of up to 14,000,000 new Shares
in the share capital of the Company

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EXECUTION PAGE 19

THIS AGREEMENT is made the 19 November 2025

BETWEEN:-

(1) **China Information Technology Development Limited** 中國信息科技發展有限公司, a company incorporated in the Cayman Islands with limited liability, the registered office of which is at Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the "Company"); and

(2) **Glory Sun Securities Limited**, a company incorporated in Hong Kong with limited liability, the registered office of which is at Room 2309, 23/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong, and licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to perform types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) of the regulated activities (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "Placing Agent").

WHEREAS:-

(A) The Company was incorporated in the Cayman Islands with limited liability and at the date of this Agreement has an authorised share capital of HK$1,200,000,000 divided into 12,000,000,000 ordinary shares of a par value of HK$0.1 each, of which 100,739,700 ordinary shares of the Company have been issued and are fully paid or credited as fully paid and are listed on GEM of The Stock Exchange of Hong Kong Limited (Stock Code: 8178).

(B) At the request of the Company, the Placing Agent has agreed to procure (whether by itself or through its sub-placing agents(s)), as agent of the Company, placee(s) for the Placing Shares, on a best-effort basis, upon the terms and subject to the conditions set out in this Agreement.

(C) The Placing Shares will be allotted and issued pursuant to the general mandate granted to the directors of the Company at the Company's annual general meeting held on 24 June 2025.

NOW IT IS AGREED as follows:-

1. **DEFINITIONS AND INTERPRETATION**

(A) In this Agreement, including the recitals, unless the context otherwise requires, the following terms have the respective meanings set opposite them:-

"AFRC Transaction Levy"	the Accounting and Financial Reporting Council Transaction Levy;
"Announcement"	the announcement proposed to be issued by the Company, in substantially such form as annexed hereto marked "A", immediately following execution of this Agreement;

"associates"	having the meaning ascribed to it in the GEM Listing Rules;
"business day"	a day on which licensed banks in Hong Kong are open for business throughout their normal business hours, other than:- (i) a Saturday, Sunday or public or statutory holiday in Hong Kong; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon;
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
"Companies Ordinance"	the Companies Ordinance, Cap. 622 of the Laws of Hong Kong;
"Completion"	completion of this Agreement in accordance with the provisions of Clause 4;
"Completion Date"	not later than the 4th business day next following the Notification specified in Clause 4(E) or such later date as may be agreed by the Company and the Placing Agent in writing, on which Completion shall take place, which date of Completion in any event shall be no later than the Long Stop Date;
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules;
"GEM Listing Committee"	has the meaning as ascribed to it under the GEM Listing Rules;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to

	the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the GEM Listing Rules;
"Law"	(i) any law, statute or statutory provision, regulation, rule, constitutional provision, treaty or rule of common law or equity; (ii) any order, notice or decree of any governmental authority or other matter of any kind having the force of law; (iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction; or (iv) any rule, regulation, direction or guideline (whether having the force of law) of, or any interpretation of any of them by, any relevant regulatory body or stock exchange, including (without limitation) the GEM Listing Rules;
"Long Stop Date"	9 December 2025 or such later date as the parties hereto may agree in writing;
"Notification"	notification in writing from the Company to the Placing Agent under Clause 4(E) of this Agreement that the condition(s) set out in Clause 4(D) of this Agreement is/are fulfilled;
"Party"	either party to this Agreement;
"placee"	any independent individual, institutional or professional investor procured by or on behalf of the Placing Agent to purchase any Placing Share pursuant to this Agreement;
"Placing"	the offer by way of a private placing of the Placing Shares procured by or on behalf of the Placing Agent to selected placees, on the terms but subject to the conditions set out in this Agreement;
"Placing Period"	the period commencing from the execution of this Agreement and ending at 2:00 p.m.

	on the two (2) business days before the Completion Date;
"Placing Price"	the price of HK$0.28 per Placing Share;
"Placing Shares"	up to 14,000,000 new Shares;
"SFC"	the Securities and Futures Commission of Hong Kong;
"Shares"	issued and fully-paid ordinary shares of par value of HK$0.1 each in the share capital of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed to it in the Companies Ordinance;
"Takeovers Code"	the codes on takeovers and mergers and share buy-backs issued by the SFC; and
"Warranties"	the representations and warranties set out in Clause 6.

(B) In this Agreement, including the recitals, unless the context otherwise requires:-

(i) references to "Clauses" are references to clauses of this Agreement;

(ii) references to this Agreement include this Agreement and all other documents executed in accordance with this Agreement and expressed to be supplemental to this Agreement;

(iii) headings are for convenience only and shall not limit, extend, vary or otherwise affect the construction of any provision of this Agreement;

(iv) words and expressions importing the singular include the plural and vice versa;

(v) words and expressions importing one gender include both genders and the neuter, and references to persons include natural persons, bodies corporate or unincorporated, sole proprietorships, partnerships, associations, enterprises, branches and all other forms of organisations and entities;

(vi) references to a Party include its personal representatives, successors, heirs, beneficiaries, sureties and permitted assigns;

(vii) where any word or expression is given a defined meaning, any other grammatical form of such word or expression (as the case may be) shall have a corresponding meaning;

(viii) references to writing include any method of producing or reproducing words in a legible and non-transitory form;

(ix) references to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date of this Agreement) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such statutory provisions;

(x) references to specific times are references to Hong Kong local times;

(xi) references to a document being "in the agreed form" mean in the form of a document or the draft of it signed for identification on behalf of the Company and the Placing Agent with (in the case of a draft) such alterations, if any, as may be agreed by the Company and the Placing Agent; and

(xii) references to anything which a Party is required to do or not to do shall include its acts, defaults and omissions, whether:-

(a) direct or indirect;

(b) on its own account; or

(c) for or through any other person,

and shall include acts, defaults and omissions which it permits or suffers to be done or not done by any other person.

2. **APPOINTMENT OF THE PLACING AGENT**

(A) On the terms but subject to the conditions of this Agreement:-

(i) the Company appoints the Placing Agent as its exclusive placing agent to procure placee(s), on a best effort basis, to purchase or subscribe for the Placing Shares at the Placing Price (together with such brokerage and the Stock Exchange trading fee, the SFC transaction levy and the AFRC Transaction Levy as may be payable); and

(ii) the Placing Agent accepts such appointment.

(B) For the avoidance of doubt, the parties hereto acknowledge that the Placing Agent is only obliged to use its best efforts to procure placees for the Placing Shares, and is not under any underwriting obligation in respect of the Placing Shares or any of them. Where the number of Placing Shares actually placed is less than 14,000,000 Placing Shares, the Placing Agent is not obliged to acquire any or all Placing Shares for which no placees are procured, the Company agrees that it does not have any recourse whatsoever against the Placing Agent in respect of such shortfall (if any).

(C) The appointment under Clause 2(A) shall confer on the Placing Agent (and/or any sub-placing agents referred to in Clause 2(D)) all rights, powers, authorities and discretions on behalf of the Company which are necessary for or reasonably incidental to the Placing (including, without limitation and if necessary, completion of the relevant contract notes on behalf of the Company and the submission of such contract notes and other documents for stamping and registration), and agrees to ratify and confirm everything which the Placing

Agent (or any sub-placing agents) may lawfully, reasonably and properly do in the exercise of such rights, powers, authorities and discretion in accordance with this Agreement.

(D) The Placing Agent may in turn appoint other sub-placing agents to procure purchasers for the Placing Shares. The Placing Agent confirms and undertakes that it will require any sub-placing agent or other person through whom it may effect the Placing or offer any Placing Share to observe the provisions of this Agreement. Any transaction legally, properly and reasonably carried out by the Placing Agent (or any sub-placing agent) shall constitute a transaction carried out at the request of the Company and as its agent, and not in respect of the Placing Agent's own account. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, wilful default or gross negligence on the part of the Placing Agent or any sub placing agent, or any loss or damage arising out of or as a result of non-compliance by the Placing Agent or any sub placing agent with their respective obligations under this Agreement) to the Company arising from any such transaction.

(E) The Company shall procure that:-

(i) the Company will provide the Placing Agent, at its request, with all such information known to it, or which on reasonable enquiry ought to be known to it, and relating to the Group as may be reasonably required by the Placing Agent in connection with the Placing, for the purposes of complying with the requirements under all applicable Laws or of the Stock Exchange or the SFC; and

(ii) particulars of every significant new factor known to it which is, in its reasonable opinion, capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises between the date of this Agreement and 12:00 noon on the Completion Date will be promptly provided to the Placing Agent.

3. PLACING AGENT'S UNDERTAKINGS

(A) The Placing Agent undertakes that during the Placing Period, it will procure, on a best-effort basis, placees to purchase or subscribe for all of the Placing Shares at the Placing Price (together with such Hong Kong stamp duty and Stock Exchange trading fee, the SFC transaction levy and the AFRC Transaction Levy as may be payable by purchasers).

(B) The manner in which the Placing is conducted and the choice of placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements the GEM Listing Rules and the Takeovers Code (where applicable), provided that the number of placees shall not be less than six (6). In particular, the Placing Agent shall use all reasonable endeavours to satisfy itself and ensure that the placees and their ultimate beneficial owners shall be Independent Third Parties. The Placing Agent further undertakes that each of the placees will not, by itself or together with its close associates (as defined in the GEM Listing Rules), be a substantial shareholder (as defined in the GEM Listing Rules) of the Company or hold 10% of more of the voting rights of the Company as at the date of this Agreement or immediately after the Completion. The Placing Agent shall as soon as practicable after Completion and in any event within the time limits (if any) imposed by the Stock Exchange and the

relevant regulatory authorities provide particulars of the placees and their ultimate beneficial owners to the Company directly, including names, addresses, number of Placing Shares acquired and such other information as required by the Stock Exchange and/or the relevant regulatory authority or governmental agency in Hong Kong for delivery to the Stock Exchange and/or the relevant authority or governmental agency in Hong Kong and warrant that it has all necessary authorisations from the placees in connection therewith.

(C) The Placing Agent shall deliver (and procure the sub-placing agents to deliver), as soon as practicable and in any event by no later than 2:00 p.m. on the two (2) business days before the Completion Date, to the Company a list (in the form as prescribed by the Stock Exchange) showing details of the placees, including but not limited to, their names, (for corporations) countries of incorporation, addresses (or, for corporations, registered addresses), the number of Placing Shares respectively agreed to be subscribed by each placee, and (if applicable) details of the CCASS stock accounts to which such Placing Shares are to be credited, together with acknowledgment confirming, inter alia, that such placees (and any of their respective ultimate beneficial owners) are Independent Third Parties.

(D) Without limitation to Clause 3(E), the Placing Agent undertakes to effect the Placing by telephone conversations or demand forms leading to concluded contracts, which shall then be confirmed by letter(s) of confirmation.

(E) The Placing Agent confirms and undertakes to the Company not to, directly or indirectly:-

(i) engage in any price stabilisation in relation to the Placing;

(ii) offer, sell or deliver any Placing Share to the public, including but not limited to offer to the public within the meaning of the Companies Ordinance or Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or in any other place in any manner in which the securities laws or regulations of any place may be infringed and all offers and sales of Placing Shares will be made on such terms;

(iii) distribute or publish any document (including, without limitation, any prospectus, form of application, offering circular, advertisement or other offering material or any report or other document calculated to invite or lead to offers or agreements being made to purchase Placing Shares); or

(iv) make any representation or statement in relation to the Placing in any country or jurisdiction, except where such offer, sale or delivery is made under circumstances that shall not result in or constitute a breach of any applicable Law in Hong Kong or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained (other than such as are made or obtained by the Placing Agent) in any such country or jurisdiction and all offers, sales and deliveries of Placing Shares shall be made on such terms;

(F) The Placing Agent confirms and undertakes to the Company that it will receive a written confirmation from each placee and satisfy itself from the placees that each of the placees and its ultimate beneficial owner(s) (if applicable) is/are Independent Third Party(ies). In the same confirmation, the Placing Agent will

ask the placee to disclose any of its prior holding/dealing in Shares and pass the information to the Company to enable it to finalize the content of the placing completion announcement.

(G) The Placing Agent confirms and undertakes to the Company to supply promptly (and to procure its sub-placing agents (if any) to provide) and in any event within a reasonable time prior to the expiry of any applicable time limits imposed by the Company:

(i) such information to enable the Company to publish any announcement required under the GEM Listing Rules, including the details required thereunder, and other applicable provisions of the GEM Listing Rules as are or should be within the knowledge of the Placing Agent, and

(ii) such information relating to the Placing and other transactions contemplated under this Agreement as are or should be within the knowledge of the Placing Agent to enable the Company to comply with its obligations under all applicable laws, rules and regulations and to provide all such information as may be required by the Stock Exchange and the SFC and any other relevant regulatory authority.

and to obtain all necessary consents and approvals as may be required under the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) in connection with the obtaining and supply of such information to the Company.

(H) The Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom the Placing Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or the Group which was not or is not, at the time of making the same, general public knowledge in the market.

(I) The Placing Agent hereby represents, warrants and undertakes to the Company that:

(i) to the best of its knowledge, information and belief, the placee(s) and their respective ultimate beneficial owners will be Independent Third Parties;

(ii) it will ensure the fulfilment and compliance of all applicable rules and regulations of the Stock Exchange and if applicable, rules and codes of the SFC in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfilment and compliance; and

(iii) it has the power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes its legal, valid and binding obligations, and enforceable against it in accordance with its terms and conditions.

4. **COMPLETION**

(A) Subject to the conditions set out in Clause 4(D), Completion shall take place on the Completion Date at the principal place of business in Hong Kong of the

Company (or such other venue as the Company and the Placing Agent may agree in advance) when all of the following business under Clause 4 shall be transacted.

(B) The Placing Agent shall:-

(i) by no later than 2:00 p.m. on the two (2) business days before the Completion Date, notify the Company (or the Hong Kong branch share registrar and transfer office of the Company (the "**Registrar**")) in writing the names of the placees, the number and denomination of the Placing Shares to be issued and allotted to the placees and such other information required by the Company for the purposes of issuing and allotting the Placing Shares to the placees (including but not limited to, where applicable, the particulars of the relevant CCASS participants' account or investor participants' account);

(ii) by no later than 12:00 noon on the Completion Date, effect or procure the effect of payment to the Company in HK$ by either the delivery of one of more cashier's orders(s) issued by a licensed bank in Hong Kong or payment of an amount in immediately available funds in such manner as shall be decided by the Company in its reasonable opinion to be acceptable equal to the aggregate Placing Price payable for the aggregate number of Placing Shares so subscribed (or procured to be subscribed), after deduction of the commissions and expenses referred under Clause 5; and

(iii) by no later than 12:00 noon on the Completion Date, deliver to the Company the Placing Agent's confirmation of independence of all placees and their ultimate beneficial owners.

(C) Against compliance by the Placing Agent with its obligations under Clause 4(B), the Company shall, by 5:00 p.m. on the Completion Date:-

(i) give instruction to the Registrar, to allot and issue the Placing Shares credited as fully paid to the placees or the Placing Agent (as the case may be) in accordance with the written notice provided by the Placing Agent under Clause 4(B)(i), and shall procure that the names of the placees or the Placing Agent (as the case may be) shall be entered in the branch register of members of the Company in Hong Kong accordingly; and

(ii) deliver or procure the delivery to the Placing Agent definitive share certificates for the Placing Shares issued in the name of the respective placees or the Placing Agent (as the case may be) and in accordance with the written notice provided by the Placing Agent under Clause 4(B)(i) or, if so required pursuant to the written notice provided by the Placing Agent under Clause 4(B)(i), deliver or procure the delivery of the share certificates for the Placing Shares to the depositary for HKSCC Nominees Limited for credit to such specified CCASS participants' accounts or investor participants' accounts.

(D) Completion is conditional upon:

(i) the GEM Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares

(either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent); and

(ii) no representation, warranty or undertaking under this Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

(E) On the day on which the condition(s) set out in Clause 4(D) above is fulfilled, the Company shall so notify the Placing Agent by way of Notification and the Placing Agent shall make all requisite arrangements with the placees for delivery of relevant documents as required under Clause 4 and effect payments under Clause 4(B)(ii).

(F) In the event of the conditions referred to in Clause 4(D) above not having been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing, save for any antecedent breaches of this Agreement.

5. FEES, COMMISSIONS AND EXPENSES

(A) In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent:-

(i) provided that completion of the Placing occurs in accordance with Clause 4, commission will be 1 per cent. of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed or sold by the Placing Agent pursuant to this Agreement, which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 4 (B) (ii); and

(ii) all out-of-pocket expenses (including but not limited to fees charged by the Hong Kong Securities Clearing Company Limited in respect of CCASS transaction (if any) reasonably and properly incurred by the Placing Agent in connection with the Placing, which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company pursuant to Clause 4(B)(ii), provided that such expenses shall be subject to a maximum amount of HK$5,000, and any out-of-pocket expense item over the amount of HK$5,000 shall be subject to written consent of the Company prior to incurring;

In addition to the fees referred above but subject to other provisions to the contrary, the Company shall pay the Stock Exchange listing fee and trading fee (if any), the SFC transaction levy (if any), the AFRC Transaction Levy (if any), and the costs of publishing the Announcement, and all charges, fees and expenses of the Company's share registrar including (without limitation) their fees and expenses in effecting the issue of the Placing Shares, and the issue of certificates thereof in board lots, to the placees or, where applicable, the Placing Agent or its nominees, (subject to the prior agreement by the parties hereto) all of which amounts the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company pursuant to Clause 4(B)(ii).

(B) If for any reason (other than any breach by the Placing Agent of any of its obligations under this Agreement) this Agreement is terminated or the Placing is not completed, the Company shall remain liable for the payment of all reasonable costs and expenses referred to in Clauses 5(A) (but not the commission referred to in Clause 5(A)(i)) only to the extent already and reasonably incurred.

(C) All payments to be made by the Company pursuant to this Clause 5 shall be made in full without any set-off, deduction or withholding whatsoever.

6. **WARRANTIES**

(A) In consideration of the Placing Agent entering into this Agreement and agreeing to perform its obligations under this Agreement, the Company represents and warrants that:-

(i) the Placing Shares will be allotted and issued under the general mandate as mentioned in Recital (C) and subject to the conditions set out in Clause 4(D) being satisfied, the Company has the necessary power and authority, and has obtained all necessary consents, to enable it to allot and issue the Placing Shares under this Agreement;

(ii) this Agreement constitutes valid and legally binding and enforceable obligations of the Company;

(iii) the Placing Shares will on allotment and issue be free from all liens, charges, encumbrances, equity and third party rights of whatsoever nature and together with all rights attaching thereto as at the date of such allotment, including the rights to receive all dividends and other distributions which may be declared, made or paid, the record date of which falls after the Completion Date;

(iv) the Placing Shares will, when issued and fully paid up, rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares;

(v) all statements of fact contained in the Announcement are true and accurate in all respects and not misleading in the context of the Placing, all statements of opinion, intention or expectation of the directors of the Company in relation to the Company or any of its subsidiaries contained in the Announcement are truly and honestly held and have been made after due and careful consideration, and there is no other fact or matter the omission of which would make any statement in the Announcement misleading or which is otherwise material in the context of the Placing.

(B) The Company represents and warrants that each of the Warranties is true and accurate and not misleading in any material respect as given as of the date of this Agreement and as of the Completion Date and as if given at all times between the date of this Agreement and the Completion Date.

(C) The Company shall forthwith notify the Placing Agent of any event or series of events, matter or circumstance which may arise or become known to the

Company between the date of this Agreement and the Completion Date, which:-

(i) has rendered, renders or is likely to render any of the Warranties untrue, misleading or inaccurate; or

(ii) has caused, causes or is likely to cause any material adverse effect on:-

(a) the business, operations, properties, assets, liabilities, earnings, financial position or prospects of any member of the Group; or

(b) the ability of the Company to perform or observe its obligations or undertakings under this Agreement.

(E) The Company shall use its best endeavours to procure that no member of the Group will do or omit to do anything which would or could render any of the Warranties to be untrue or incomplete, if repeated at any time before the Completion Date, with reference to the facts and circumstances then prevailing.

7. TERMINATION

(A) Notwithstanding anything contained in this Agreement, if at any time on or prior to 12:00 noon on the Completion Date:

(i) there shall have been, since the date of this Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or

(ii) any material breach of any of the representations and warranties of the Company set out in this Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of this Agreement; or

(iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate this Agreement without liability to the Company (subject to Clause 7(B)) by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the Completion Date.

(B) In the event the Placing Agent terminates this Agreement pursuant to Clause 7(A) above, all obligations of each of the parties under this Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with this Agreement except for any antecedent breach of any obligation under this Agreement and liabilities under Clause 5(B).

8. **FURTHER ASSURANCES**

Each Party undertakes to execute all such documents and do all such acts and things as the other Party may at any time and from time to time reasonably request and as may be lawful and within its power to do to carry into effect or to give legal effect to the provisions in this Agreement and the transactions contemplated in this Agreement.

9. **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding between the Parties in relation to the transactions contemplated by this Agreement, and supersedes and cancels in all respects all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter of this Agreement, whether such be written or oral.

10. **SEVERABILITY**

If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

11. **WAIVER AND OTHER RIGHTS**

(A) No single or partial exercise of, or failure or omission to exercise or delay in exercising any right, power, claim or remedy vested in a Party under or pursuant to this Agreement or otherwise shall affect, prejudice or constitute a waiver by such Party of such or any other right, power, claim or remedy.

(B) Any right, power, claim or remedy expressly conferred upon a Party under this Agreement shall be in addition to and without prejudice to all other rights, powers, claims and remedies which would otherwise be available to such Party under this Agreement or at law.

12. **NOTICES**

(A) Any notice, demand or other communication to be given by a Party to the other Party under or in connection with this Agreement shall be in writing, and shall be deemed duly served if:-

(i) delivered personally;

(ii) sent by prepaid registered post;

(iii) sent by facsimile transmission; or

(iv) sent by email,

to the address or facsimile number or email address (as the case may be) of such other Party previously in writing notified to the Party serving the same. In the case of any subsequent change of the address or facsimile number or email address, such notification shall be given in accordance with the provisions of this Agreement and shall state in clear terms the intention to change the address or facsimile number or email address, as the case may be.

(B) A notice, demand or other communication shall be deemed served:-

(i) if delivered personally, at the time of delivery;

(ii) if sent by post, at the expiration of two business days (for local addresses in Hong Kong) or five business days (for any other overseas address) after the envelope containing the same has been delivered into the custody of the postal authorities;

(iii) if sent by facsimile transmission, upon receipt by the Party giving the same of machine printed confirmation of such transmission; and

(iv) if sent by email, when the email left the email gateway of the servicer of the notice.

(C) In proving the service of any notice, demand or other communication, it shall be sufficient to prove that:-

(i) in the case of personal delivery, the same has been delivered or left at the address, or the postal box of such address, of the Party to be served on;

(ii) in the case of a mail, the envelope containing the same has been properly addressed, delivered into the custody of the postal authorities and duly stamped; and

(iii) in the case of a facsimile transmission or email, the same has been duly transmitted to the facsimile number or email address (as the case may be) of the Party to be served on.

(D) For the purposes of this Clause 12, the initial address and facsimile number and email address of each Party are:-

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED 中國信息科技發展有限公司

Address: Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong

Facsimile number: (852) 2544 0399

Email address: danielwong@citd.com.hk

For the attention of: Mr. Daniel Wong

Glory Sun Securities Limited

Address: Room 2309, 23/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong

Facsimile number: (852) 2813 6618

Email address: globalcapitalmarket@hk1282.com

For the attention of: Mr. Howard Chan

13. **TIME**

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned in this Agreement and as to any date and period which may by written agreement between or on behalf of the Parties be substituted for them.

14. **ASSIGNMENT**

This Agreement shall be binding on and shall enure for the benefit of the successors and assignees of the Parties. No Party may assign any of its rights or obligations under this Agreement without the prior consent of the other Party in writing.

The Parties declare and agree that they do not intend that any term herein shall be enforced, by virtue of the Contracts (Rights of Third Parties) Ordinance, Cap.623 of the Laws of Hong Kong, by any person who is not a party to this Agreement. Accordingly, any person who is not a party to this Agreement shall have no rights under the said ordinance to enforce or enjoy the benefit of any terms of this Agreement and the consent of any person who is not a party to this Agreement is not required to rescind or vary any provisions of this Agreement. The foregoing provisions of this Clause do not affect any right or remedy of a third party which exists or is available otherwise than by the operation of the said ordinance.

15. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by either Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

16. **GOVERNING LAW AND JURISDICTION**

(A) This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.

(B) The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the Parties have executed this Agreement the day and year first above written.

EXECUTION PAGE

THE COMPANY

SIGNED by WONG King Shiu Daniel)
)
for and on behalf of)
CHINA INFORMATION TECHNOLOGY)
DEVELOPMENT LIMITED)
中國信息科技發展有限公司)
)
)
in the presence of:-)
)

For and on behalf of
China Information Technology Development Limited
中國信息科技發展有限公司

.....
Authorized Signature(s)

THE PLACING AGENT

SIGNED by CHAN Ho Wai Howard)
)
for and on behalf of **Glory Sun Securities**)
Limited)
)
in the presence of:-)
)

For and on behalf of
Glory Sun Securities Limited
耀新證券有限公司

.....
Authorized Signature(s)

广州信丰投资咨询有限公司

（卖方）

与

广东新景晟产业投资有限公司

（买方）

之

房屋买卖合同

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房屋买卖合同

甲方（卖方）:广州信丰投资咨询有限公司

社会统一信用代码：91440101773330466H

联系地址：广州市海珠区广州大道南 89 号 8 楼 801

法定代表人:蔡丽娟

联系电话：13622865249

乙方（买方）：广东新景晟产业投资有限公司

社会统一信用代码：91442000MAE6BN641E

联系地址：中山市西区街道隆昌社区金昌工业路 36 号首层 2 卡之一

法定代表人:陈治强

联系电话：13450915254

根据《中华人民共和国民法典》及其他有关法律、法规之规定，甲乙双方在平等、自愿、协商一致的基础上就买卖房屋达成如下合同:

第一条　标的房屋基本情况

1.1　甲方所售房屋（以下简称“标的房屋”）坐落于广州市天河区麓景路 123 号门牌所属的全部地上建筑物，

包括广州市天河区麓景路123号101房、102房、201房、202房、301房、401房、501房、601房、701房、801房、901房等11个房产证，建筑面积共10518.7321平方米，甲方为标的房屋权属人。（详见附件一，11个房产证）

1.2 随该标的房屋同时转让的房屋附属设施设备、装饰装修、相关物品等具体情况按现状交付。甲方同意并确认，双方签署交付确认文书后，标的房屋内无含甲方使用权或所有权的物品，标的房屋无含甲方使用权或所有权的附属设施设备、装饰装修等相关物品。

1.3 标的房屋抵押情况：甲方已将标的房屋抵押给中国建设银行股份有限公司广州荔湾支行，截至2025年6月12日止，贷款本金余额为3200万元。该标的房屋除有上述贷款抵押外，未担保给第三人。

1.4 甲方的债务情况以附件甲方的财务报表载明的情况为准。

1.5 标的房屋现状：甲方于2021年3月26日与广州市嘉怡颐养院有限公司（以下简称“嘉怡公司”）签订了《装饰大厦租赁合同》(合同编号:JY20210001)，并于2023年3月10日签订了《补充协议》（见附件二），约定甲方将标的房屋出租给嘉怡公司使用，租赁期限为2021年3月5日起至2041年3月4日，因嘉怡公司欠付甲方租金，甲方已于2025年【1】月【22】日向法院提起诉讼，要求解除租赁合同并收回租赁场地，目前法院尚在审理中（案号：(2025)粤0104民初4484号）。截至本合同签订之日，标的房屋仍由嘉怡公司占用使用。乙方对标的房屋现状是清楚知悉的。

第二条　成交价格及付款方式

2.1　经双方协商一致，标的房屋成交价格为人民币大写壹亿

伍仟万元整（¥150,000,000.00元）。本合同签署之日起十五个工作日内，乙方向甲方支付履约保证金人民币壹仟万元整（¥10,000,000元）。鉴于甲方的实控股东是中国信息科技发展有限公司(China Information Technology Development Limited)（以下简称“信息科技公司”，其已发行股份于香港联合交易所GEM上市，上市编号：8178），本合同及所有根据本合同拟进行的交易需要信息科技公司在信息科技公司股东特别大会通过普通决议案批准，所以完成本合同第2.3条先决条件后15天内，乙方向甲方支付房屋成交价款尾款人民币壹亿肆仟万元整（¥140,000,000.00元）。

因银行等金融机构办公流程拖延等非乙方原因，令监管账户的设立时间超过十五个工作日，而导致乙方无法按本合同第2.1条的约定支付履约保证金的，乙方支付履约保证金的期限变更为本合同第2.2条约定的监管账户成功设立之日起3日内。

2.2 就上文第2.1所指的付款而言，交易收款账户为（该账户为以乙方名义在金融机构开设的供甲乙双方进行本合同项下交易监管账户，乙方应当于本合同签订之日起十五个工作日内于银行等金融机构完成设立该监管账户，且甲方对该账户享有监管权，即未经甲方书面许可，乙方不可单独处置该账户内的资金，下文中简称“监管账户”）：

账户名称：

开户银行：

帐户号码：

2.3 完成本合同约定的房屋买卖受限于下述先决条件：

（1） 信息科技公司及甲方已根据GEM上市规则取

得与本合同及所有根据本合同拟进行的交易相关的一切必须的同意和批准；

（2） 信息科技公司已根据GEM上市规则召开股东特别大会，股东已于会上通过决议案，以投票方式批准本合同及所有根据本合同拟进行的交易；

（3） 估值师出具截至[2025年5月31日]有关标的房屋的公允价值评估报告；

（4）甲乙双方已就与本合同及所有根据本合同拟进行的相关交易，取得了一切必须的同意与批准。

上述所有的先决条件将不能被豁免。

2.4 甲方应当于本合同签订之日起110日内达成本合同第2.3条中约定的甲方义务，否则乙方可以本合同无法继续履行为由拒绝向监管账户支付交易尾款人民币1.4亿元并解除本合同。

第三条 标的房屋交付

3.1 乙方知悉，截至本合同签订之日，标的房屋存在与嘉怡公司的租赁纠纷，甲方已向广州市越秀区人民法院起诉[案号：（2025）粤0104民初4484号]。甲乙双方同意，甲方将标的房屋过户至乙方名下后，甲方将其与嘉怡公司租赁合同中的权利与义务转让给乙方，由乙方继续处理嘉怡公司与甲方之间的租赁纠纷。甲方同意，其在该租赁纠纷中的权利及相关权利带来的孳息与收益归乙方所有（包括但不限于嘉怡公司欠付的租金、管理费、

违约金或要求嘉怡公司履行其他租赁合同义务等权利），但不包括甲方已收取的租金及租赁保证金。甲方在该租赁纠纷中甲方所负的义务由乙方负责履行。

3.2 在签订本合同前甲方已就标的房屋与多个意向方进行买卖洽谈，为保障双方利益，乙方向甲方支付履约保证金之日起，甲方保证不再与第三方就该项目进行交易洽谈，否则乙方有权解除本协议，甲方须向乙方退还履约保证金。

3.3 自本合同签订之日起，甲方应停止其所有运营行为，甲方的各类印鉴、营业执照等经营管理工具、文件由甲乙双方共同管理（甲方的印鉴、文件存放于甲方办公场所的保险箱内，由乙方管理该保险箱的钥匙即密码）。未经乙方同意，甲方与第三人不可签署任何文书、合同等材料。

3.4 甲方的银行账户收到本合同第 2.1 条约定的标的房屋的交易款人民币壹亿伍仟万元整（¥150,000,000.00 元）之日，甲方应当将标的房屋交付乙方，双方签署交付确认书。完成标的房屋交付后，乙方不得因与嘉怡公司的租赁纠纷及/或不能正常使用标的房屋要求甲方承担违约责任及向甲方追讨赔偿。

第四条　权属转移登记

4.1 双方同意，甲方自监管账户收到乙方以资金监管方式支付全部款项人民币壹亿伍仟万元整（¥150,000,000 元）之日起 10 个工作日内与乙方共同向不动产登记部门办理不动产转移登记手续。监管账户收到 1.5 亿元购房款后次日甲方就标的房屋向银行申请还贷解押，如果由于银行办理解押手续时间超过 10 个工作日，则甲方在标的房屋解押手续完成后三个工作日内与乙方共同向不动产登记部门办理不动产转移登记手续。

4.2 乙方同意：自标的房屋过户至乙方名下之日起3个工作日内，监管账户内的款项人民币壹亿伍仟万元整（¥150,000,000元)无条件划至甲方指定银行账户，如果因乙方拒绝配合甲方前往银行办理转账手续而迟延转款，每迟延一日，乙方按迟延款项总额的万分之五支付违约金。

第五条　税费

5.1　双方应当依照应国家有关规定各自承担并缴纳因本合同的签署和履行而产生的税费。

5.2　甲方应当向乙方开具不动产销售增值税普通发票。

第六条　违约责任

6.1　一方违反本合同约定的，应当向另一方承担违约责任。守约方因主张权利和追讨款项等产生的一切费用(包括但不限于诉讼费、保全费、开取保全保函的费用、执行费、拍卖费、评估费、鉴定费、律师费、差旅费等）均由违约方承担。

6.2　乙方违反本合同第2.1条、第2.2条约定，不按时支付1000万元履约保证金的，乙方需向甲方支付违约金人民币100万元，且甲方有权单方面解除本合同，甲方有权将标的房屋出售给第三方，无需通知乙方。因银行等金融机构办公流程拖延等非乙方原因,导致监管账户的设立时间超过十五个工作日，不视为乙方违约。

6.3　在甲乙双方签订了本合同,且甲方在完成2.3条先决条件后,如因乙方未按照本合同约定的付款时间与金额继续履行付款义务、且超过30个工作日乙方仍未履行1.5亿元的付款义务,或乙方不配合房屋产权过户或决定不购买标的房屋，甲方有权解除本合同，监管账户中的履约保证金1000万元归甲方所有。

6.4 自本合同签订之日起110日内，甲方拒绝将标的房屋的不动产权变更登记至乙方名下的，乙方可以要求甲方双倍返还已经收取的履约保证金，即甲方应向乙方支付人民币贰仟万元整（¥20,000,000元），但，甲方将本次交易向香港联合交易所有限公司申报后，因香港联合交易所有限公司在110日后还在提出问题，导致本次交易无法完成的，甲方配合将监管账户中的履约保证金1000万元转回至乙方指定账户，甲方无需双倍返还。

第七条 保密

7.1 基于本次交易所获得的包括本合同在内的任何文件资料、商业信息或任何一方的商业秘密，未经披露一方事先书面同意，接收方不得向任何非本合同当事方（不包括与本次交易有关而需要获知以上信息的接收方的雇员和董事等）披露此类信息，非因履行本合同及本次交易相关其他合同、承诺文件之需要，亦不得以任何方式自行使用该等信息，但以下情况除外：

7.1.1 向与本合同及本次交易相关其他合同、承诺文件有关而需要获知以上信息并承担上述保密义务的律师、会计师、顾问等专业人员合理披露。

7.1.2 就有关任何根据上市规则及其他法定及规则上的要求，或应香港联合交易所、香港证券及期货事务监察委员会或其他监管机构的要求所作出的公告或披露。

7.1.3 有关保密信息的权利人书面同意另一方解除保密义务。

7.1.4 该等保密信息非由于一方违反本合同的原因已经进入公共领域而为公众所知悉。

7.1.5 出现根据中国法律的规定可以免除保密义务和责任的情形。

除上述除外情形外，双方在本合同项下的保密义务应持续至相关保密信息被合法公开之日止。

第八条　通知与送达

8.1　本合同双方确认其有效的送达地址为：

甲方（卖方）：广州信丰投资咨询有限公司

通讯地址：广州市海珠区广州大道南89号8楼801

联系人：黄旭东

电话：13312828982

微信：13312828982

电子邮箱：13312828982@189.cn

乙方（买方）：广东新景晟产业投资有限公司

通讯地址：中山市西区街道隆昌社区金昌工业路36号首层2卡之一

联系人：陈治强

电话：13450915254

微信：c648610040

电子邮箱：648610040@qq.com

8.2　上述地址为双方相互送达各类通知、合同等文件的送达地址，亦视为甲乙双发接受仲裁裁决文书、法院诉讼文书、法律文件的收件地址。如双方因本合同而发生纠纷，上述地址同为法院涉诉程序中（包括诉前财产保全、一

审、二审、再审、执行和破产等）各类文件及法律文书的送达地址。当面交付文件的，在交付之时为送达；以邮寄方式的，挂号寄出或者投邮当日视为送达；以微信、电子邮件、手机短信等电子方式送达的，内容发出之日视为送达。因收件人拒收或其他原因无法送达，仍视为收件人已经知悉相关寄件的内容与信息。

8.3 一方送达地址需要变更时应当履行通知义务。任何一方需要变更送达地址的，应将变更后的送达地址送达给另一方。自另一方收到或签收新的《送达地址确认书》之日起，送达地址按照新的《送达地址确认书》确定。一方未按前述方式履行诉讼程序中的送达地址变更的通知义务，该方所确认的原送达地址仍视为有效送达地址。另一方按照本合同确认的送达地址及方式送达，或者按照该方向法院确认的送达地址送达，均视为有效送达。

8.4 纠纷进入民事诉讼程序后，如一方应诉并直接向法院提交的《送达地址确认书》所确认的地址与本合同确认的送达地址不一致的，以该方向法院提交的确认送达地址为准，但该方应于当日按照本合同约定履行变更后的送达地址通知义务。

第九条　争议解决

9.1 双方就本合同的解释和履行发生的任何争议，应通过友好协商解决。未能通过友好协商解决的，任何一方可将争议提交至【标的房屋所在地】人民法院诉讼解决。

第十条　其他

10.1 因办理标的房屋（广州市天河区麓景路 123 号 101 房、102 房、201 房、202 房、301 房、401 房、501 房、601 房、701 房、801 房、901 房）产权过户，需要按 11 套房另行签订 11 份《房屋买卖合同》，但双方的权利义务以本合同为准。

10.2 如有未尽事宜，双方可签订补充合同。补充合同构成本合同不可分割的一部分，与本合同具有同等法律效力。

10.3 本合同一式两份，自双方法定代表人或授权代表签字或签章并加盖各自单位公章之日后生效，具有同等法律效力。

（以下无正文）

（本页为签字页，无正文）

甲方：广州信丰投资咨询有限公司

法定代表人或授权代表：

2025年6月19日

乙方：广东新景晟产业投资有限公司

法定代表人或授权代表：

2025 年 6 月 19日

附件一：房产证

附件二：《装饰大厦租赁合同》（合同编号：JY20210001）及《补充协议》

附件三：标的房屋产权清单及交易对价

附件四：甲方 2024 年度财务报表

附件三：房屋产权清单及交易对价				
楼层	房产证地址	建筑面积 平方米	对应总价 元	备注
1	天河区麓景路 123 号 101 房	920.34	32,482,644.70	
	天河区麓景路 123 号 102 房	165.96	2,196,524.10	
2	天河区麓景路 123 号 201 房	1623.25	27,440,330.30	
	天河区麓景路 123 号 202 房	291.48	3,086,210.30	
3	天河区麓景路 123 号 301 房	1274.04	13,714,625.30	
4	天河区麓景路 123 号 401 房	1013.27	11,086,342.10	
5	天河区麓景路 123 号 501 房	1047.84	11,649,483.50	
6	天河区麓景路 123 号 601 房	1047.84	11,834,397.40	
7	天河区麓景路 123 号 701 房	1047.84	12,019,309.40	
8	天河区麓景路 123 号 801 房	1043.44	12,152,998.20	
9	天河区麓景路 123 号 901 房	1043.44	12,337,134.70	
	合计	10518.74	150,000,000.00	

Dated 13 August 2025

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

中國信息科技發展有限公司

(as the Company)

and

RAFFAELLO SECURITIES (HK) LIMITED

(as the Underwriter)

UNDERWRITING AGREEMENT

relating to a rights issue of

up to 29,489,418 Rights Shares of HK$0.1 each in

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

中國信息科技發展有限公司

at HK$1.29 per Rights Share payable in full on application

(on the basis of 3 Rights Shares for every 8 Shares held)

THIS UNDERWRITING AGREEMENT ("this Agreement") is made this 13th day of August 2025

BY AND BETWEEN:

(1) **CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED 中國信息科技發展有限公司**, a company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands and its head office and principal place of business in Hong Kong at Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong (the "**Company**"); and

(2) **RAFFAELLO SECURITIES (HK) LIMITED**, a Hong Kong private limited company registered under company number 943152 and having its registered office at 1/F, E168, No. 166-168 Des Voeux Road, Central, Hong Kong (the "**Underwriter**");

the Company and the Underwriter are referred to below collectively as the "**Parties**" and individually as a "**Party**";

WHEREAS:

(A) The Company was incorporated in the Cayman Islands as an exempted company with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 8178). As at the date hereof:

(a) the authorised share capital of the Company is HK$1,200,000,000 and comprises 12,000,000,000 ordinary shares with a par value of HK$0.01 each, of which 73,265,237 ordinary shares have been issued and are fully paid up; and

(b) the Company has outstanding Share Options entitling the holders thereof to subscribe for an aggregate of 5,373,213 new Shares.

(B) Save as aforesaid, the Company does not have any outstanding options, warrants, convertible securities or other similar rights which confer any right to subscribe for, convert or exchange into Shares.

(C) The Company intends to offer, subject to the fulfilment of the Conditions, to the Qualifying Shareholders a total of 27,474,463 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 29,489,418 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all the outstanding Share Options but otherwise no other change in the number of Shares in issue on or before the Record Date) by way of rights issue on the basis of three (3) Rights Shares for every eight (8) existing Shares held on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.

(D) The Underwriter is a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO. It has agreed to underwrite all of the Rights Shares which have not been taken up on the terms and subject to the conditions as set out below.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND RULES OF INTERPRETATION

1.1 Unless the context requires otherwise, in this Agreement, including the recitals hereto, the following expressions shall have the following meanings:

"**acting in concert**"	as defined in the Takeovers Code;
"**Announcement**"	the announcement to be made by the Company concerning, among other things, the Rights Issue;

"**Audited Accounts Date**"	31 December 2024;
"**Board**"	the board of Directors or a duly authorised committee thereof;
"**Business Day**"	a day on which licensed banks in Hong Kong are open for normal banking business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a "black rainstorm" warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;
"**CCASS**"	the Central Clearing and Settlement System established and operated by HKSCC;
"**Conditions**"	the conditions of the Rights Issue as set out in Clause 2.1;
"**C(WUMP)O**"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong;
"**Directors**"	the directors of the Company;
"**EAF(s)**"	the excess application form(s) to be issued by the Company to the Qualifying Shareholders in connection with the Rights Issue;
"**GEM**"	GEM operated by the Stock Exchange;
"**GEM Listing Rules**"	the Rules Governing the Listing of Securities on GEM;
"**Group**"	the Company and its subsidiaries;

"**HK$**	Hong Kong dollars, the lawful currency of Hong Kong;
"**HKSCC**"	the Hong Kong Securities Clearing Company Limited;
"**Hong Kong**"	the Hong Kong Special Administrative Region of the People's Republic of China;
"**Latest Lodging Time**"	4:30 p.m. on Wednesday, 3 September 2025 or such other time as the Parties may agree in writing as the latest time for lodging transfer of existing Shares in order to qualify for the Rights Issue;
"**Latest Time for Acceptance**"	4:00 p.m. on Thursday, 25 September 2025 or such other time as the Parties may agree in writing as the latest time for acceptance of and payment for the Rights Shares;
"**Latest Time for Termination**"	4:00 p.m. on Monday, 29 September 2025 or such later time as the Parties may agree in writing as the latest time to terminate this Agreement;
"**Non-Qualifying Shareholders**"	the Overseas Shareholders to whom the Board, after making enquires, considers it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"**Overseas Shareholders**"	the Shareholders whose addresses on the register of members of the Company are outside Hong Kong;
"**PAL(s)**"	the provisional allotment letter(s) in respect of the Rights Issue to be issued by the Company to the Qualifying Shareholders;

"**Prospectus**"	the prospectus in relation to the Rights Issue to be issued and despatched by the Company to the Shareholders;
"**Prospectus Documents**"	the Prospectus, the PAL and the EAF;
"**Prospectus Posting Date**"	Thursday, 11 September 2025 or such later date as the Parties may agree in writing for the despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders;
"**Qualifying Shareholders**"	the Shareholders whose names appear on the register of members of the Company on the Record Date other than the Non-Qualifying Shareholders;
"**Record Date**"	Wednesday, 10 August 2025 or such other date as the Parties may agree in writing for the determination of the entitlements under the Rights Issue;
"**Registrar**"	Computershare Hong Kong Investor Services Limited, of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, the branch share registrar and transfer office in Hong Kong of the Company;
"**Rights Issue**"	the proposed issue of three (3) Rights Shares for every eight (8) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents;
"**Rights Shares**"	the new Shares proposed to be offered to the Qualifying Shareholders by way of rights pursuant to the Rights Issue;

"**Settlement Date**"	the date being the third Business Day following but excluding the Latest Time for Acceptance or such later date as the Parties may agree in writing;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**SFO**"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
"**Share Certificate Despatch Date**"	Wednesday, 8 October 2025 or such other date as the Parties may agree in writing, being the date of despatch of share certificates for the fully-paid Rights Shares;
"**Shareholders**"	the holders of Shares;
"**Share Options**"	options to subscribe for Shares granted under the share option schemes adopted by the Company on 2 August 2012 and 15 May 2023, respectively;
"**Shares**"	ordinary shares of HK$0.1 each in the share capital of the Company;
"**Specified Event**"	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 9.1 untrue or inaccurate in a material respect;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**Subscription Price**"	the issue price of HK$1.29 per Rights Share at which the Rights Shares are proposed to be offered for subscription pursuant to the Rights Issue;

"**subsidiary**"	has the meaning ascribed to it under the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
"**taken up**"	in relation to any Rights Shares, such Rights Shares in respect of which valid application under PAL and/or EAF has been made in accordance with the terms of the Prospectus Documents together with a cheque or cashier's order or other remittance for the full amount payable in respect of such Rights Shares which is honoured on first or, at the discretion of the Underwriter, subsequent presentation;
"**Takeovers Code**"	the Hong Kong Code on Takeovers and Mergers issued by the SFC, as may be amended from time to time;
"**Underwriter's Fees**"	as defined in Clause 7.1;
"**Underwritten Shares**"	up to 29,489,418 Right Shares, being the maximum number of Rights Shares to be underwritten by the Underwriter pursuant to this Agreement; and
"**%**"	per cent.

1.2 Unless the context requires otherwise, words importing the singular include the plural and vice versa; words importing a gender include all genders; and references to any person include an individual, partnership, limited liability company, body corporate or unincorporated, association, trust, firm, and governmental or regulatory body.

1.3 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

1.4 References in this Agreement to a document being "in the agreed form" means in such form as may following the date hereof be agreed between the Parties, both acting reasonably.

1.5 References in this Agreement to Clauses are references to clauses of this Agreement. The recitals to this Agreement form an integral part of this Agreement.

1.6 References in this Agreement to a date or time are to that date or time in Hong Kong.

1.7 References in this Agreement to any ordinance, regulation or statutory provision in this Agreement include references to such ordinance, regulation or statutory provision as modified, consolidated or re-enacted from time to time.

2. CONDITIONS

2.1 The Rights Issue is conditional upon:

(a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong of the Prospectus Documents in compliance with the GEM Listing Rules and the C(WUMP)O not later than the Prospectus Posting Date;

(b) following registration, the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the websites of the Stock Exchange and the Company on or before the Prospectus Posting Date;

(c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms; and

(d) this Agreement not being terminated in accordance with the terms hereof on or before the Latest time for Termination.

2.2 The Company shall use its reasonable endeavours to procure the fulfilment of all the Conditions by the Latest Time for Termination or such other time as the Parties may agree in writing. The Company shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such other acts and things as may be necessary to give effect to the Rights Issue.

2.3 If the Conditions are not fulfilled by the Latest Time for Termination or such other time as the Parties may agree in writing, this Agreement shall terminate (save and except for Clauses 7.2, 12, 13, 14 and 15 which shall remain in full force and effect) and no Party shall have any claim against the other Party for costs, damages, compensation or otherwise save for any antecedent breaches.

3. PUBLICATION OF THE ANNOUNCEMENT

Subject to the approval by the Stock Exchange, the Company shall arrange for the Announcement to be published on the website of the Stock Exchange and the website of the Company as soon as reasonably practicable following the signing of this Agreement.

4. RIGHTS ISSUE

4.1 Subject to the fulfilment of the Conditions, the Company shall:

(a) offer the Rights Shares to the Qualifying Shareholders by way of the Rights Issue, on the basis of three (3) Rights Shares for every eight (8) existing Shares held on the Record Date, at the Subscription Price of HK$1.29 per Rights Share, payable in full on acceptance, by posting the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;

(b) (if applicable) on the Prospectus Posting Date, post the Prospectus marked "For information only" and a letter explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue, without the PAL and the EAF to the Non-Qualifying Shareholders; and

(c) deliver to the Underwriter a certified copy of the resolutions authorising the publication of the Prospectus on or before the Prospectus Posting Date.

4.2 Prior to the despatch of the Prospectus Documents pursuant to Clause 4.1(a), the Company shall deliver to the Underwriter a copy of the letters from the auditors or reporting accountants of the Company, as appropriate, addressed to the Company reporting on or confirming the proforma net tangible asset value of the Group, and where necessary, sufficiency of working capital of the Group, indebtedness statement and other financial information if and as required by the Stock Exchange or the SFC to be contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included.

4.3 The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* with the existing Shares then in issue in all respects. Holders of full-paid Rights Shares shall be entitled to receive all future dividends and distributions which are declared, made or paid with the record date which falls on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

4.4 The Company shall not make available for subscription by the Qualifying Shareholders such Rights Shares representing any Rights Shares for which the PAL (accompanied by the appropriate remittances which are honoured on first, or at the discretion of the Underwriting, subsequent presentation and otherwise in compliance with the procedure for acceptance as described in the Prospectus Documents) has not been lodged prior to the Latest Time for Acceptance and any Rights Shares which would otherwise have been offered to the Non-Qualifying Shareholders.

4.5 No fractional entitlements to the Rights Shares will be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares will be issued to the Non-Qualifying Shareholders. The Rights Shares representing such fractional entitlements and entitlements of the Non-Qualifying Shareholders will be aggregated and taken up by the Underwriter.

5. UNDERWRITING OBLIGATIONS AND ACCEPTANCE OF RIGHTS SHARES

5.1 The Company shall as soon as practicable after the Latest Lodging Time and in any event before the Record Date make such enquiry regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholders, if any, reside.

5.2 Subject to the provisions hereof, the Underwriter's obligations hereunder shall terminate if, before the Latest Time for Acceptance, PALs and/or EAFs in respect of all the Rights Shares have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or cashier's orders or other remittances for the full amount payable thereunder which are honoured on first or, at the discretion of the Underwriter, subsequent presentation. The Rights Shares comprised in the PALs and/or the EAFs which are so lodged together with such remittances are referred to below as having been "**accepted**".

5.3 If by the Latest Time for Acceptance any of the Rights Shares have not been taken up, the Company shall as soon as practicable thereafter and in any event before 4:00 p.m. on the first Business Day after the Latest Time for Acceptance notify or procure the Registrar to notify the Underwriter on behalf of the Company in writing of the number of Rights Shares not taken up; and the Underwriter shall subscribe for or procure subscription of such Rights Shares pursuant to this Agreement and on the terms of Prospectus Documents (so far as the same are applicable) by 5:00 p.m. on the Settlement Date.

5.4 The Underwriter shall pay or procure payment to the Company by way of banker's draft or cashier's order drawn on a licensed bank in Hong Kong or by way of bank transfer of the aggregate subscription amount in respect of the Underwritten Shares, less any amounts payable to the Underwriter pursuant to Clause 7.1, not later than 5:00 p.m. on the Settlement Date.

5.5 Following receipt by the Company of payment referred to in Clause 5.4 in full, the Company shall, not later than 4:00 p.m. on the Share Certificate Despatch Date, either:

(a) arrange for delivery to the Underwriter or its nominee of share certificates in respect of the fully-paid Underwritten Shares for which the Underwriter has

subscribed or procure subscription in such names and denominations as the Underwriter may reasonable require at the same time as share certificates are despatched generally to persons who have applied for the Rights Shares; or

(b) where the Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Underwritten Shares, delivery to the Underwriter evidence that such documents and instructions required to effect the crediting of such Underwritten Shares have been signed or given, as the case may be. If any Underwritten Shares are not accepted into CCASS, certificates shall be issued in respect of such Underwritten Shares in accordance with Clause 5.5(a).

5.6 The Underwriter undertakes to the Company that, other than the transactions contemplated under this Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior written consent of the Company, the Underwriter and its associates will not deal in the Shares or other securities of the Company from the date hereof up to the first day of dealings in the fully-paid Rights Shares, save that the Underwriter may, before the Settlement Date, enter into agreement with any other person in respect of: (a) sub-underwriting of the Rights Shares; and/or (b) subscription of any Underwritten Shares, so long as such transactions are in compliance with applicable laws and regulations.

5.7 The Underwriter hereby unconditionally and irrevocably undertakes to the Company that in the event the Underwriter is called upon to subscribe or procure subscription of the Underwritten Shares pursuant to this Agreement:

(a) without affecting the Underwriter's obligation to underwrite all the Underwritten Shares under this Agreement, whether to underwrite the same by itself or procure sub-underwriting of the same, the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in the shareholding of it and parties acting in concert with it in the Company to trigger a mandatory offer obligation under rule 26 of the Takeovers Code on the part of the Underwriter and parties acting in concert with it upon completion of the Rights Issue;

(b) the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters, subscribers or purchasers of the Underwritten Shares procured by it: (i) shall be third party independent of, not acting in concert with, and not connected with the Company, any of the Directors, chief executives or substantial shareholders of the Company or their respective associates (as defined under the GEM Listing Rules); and (ii) shall not, together with any party acting in concert with such sub-underwriter, subscriber or purchaser, hold such number of Shares which will trigger a mandatory offer obligation under rule 26 of the Takeovers Code on the part of such sub-underwriter, subscriber or purchaser and parties acting in concert with such sub-underwriter, subscriber or purchaser upon completion of the Rights Issue; and

(c) the Underwriter shall use its best endeavours to procure that minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Rights issue.

5.8 If the Underwriter shall default in comply with its obligations under this Clause 5, the Company is hereby irrevocably authorised to treat this Agreement as an application by the Underwriter for the Underwritten Shares on the terms of the Prospectus Documents (so far as the same are applicable and other than as to the time of application and payment which shall be dealt with in accordance with this Clause 5) and to allot and issue the Underwritten Shares to the Underwriter. The Underwriter shall forthwith pay to the Company the aggregate Subscription Price in respect of the Underwritten Shares less any amounts payable to the Underwriter pursuant to Clause 7.1. The Company shall deliver to the Underwriter (or as it may direct) documentary evidence of entitlement to the Underwritten Shares reasonably satisfactory to the Underwriter.

6. ALLOTMENT AND ISSUE

6.1 Subject to the fulfilment of the Conditions, the Company shall, not later than 4:00 p.m. on the Share Certificate Despatch Date, duly allot and issue the Rights Shares validly accepted and applied for and paid for and shall issue certificates for such Rights Shares to the relevant subscribers in accordance with the terms of the Prospectus Documents.

6.2 The Company shall allot and issue the Underwritten Shares taken up by the Underwriter or for which it has procured subscription as provided in Clause 5 in accordance with Clause 5.5.

7. UNDERWRITER'S FEES

7.1 In consideration of the Underwriter's obligation to underwrite the Underwritten Shares and its services in connection with the issue of the Rights Issue as stipulated herein, the Company shall by not later than the date of despatch of the share certificates in respect of the Rights Shares make the following payments to the Underwriter (the "**Underwriter's Fees**"):

(a) an underwriting commission of 7.07% of the aggregate subscription amount in respect of the Rights Shares, being the gross proceeds from the Rights Issue; and

(b) all costs, fees and out-of-pocket expenses reasonably incurred by the Underwriter in the performance of its obligations hereunder, provided that the Underwriter has provided the Company with documentary evidence of such costs, fees and out-of-pocket expenses to the Company's satisfaction.

7.2 Notwithstanding any provision hereof to the contrary, the Company is not obliged to pay the underwriting commission referred to in Clause 7.1(a) if the Rights Issue does not become unconditional or if the Underwriter terminates this Agreement pursuant to Clause 10.

7.3 The Underwriter shall pay any commissions, costs and expenses incurred by it in respect of or in connection with any sub-underwriting of the Underwritten Shares out of the underwriting commission referred to in Clause 7.1(a).

7.4 The Underwriter may withhold the Underwriter's Fees from any payment to be made by it to the Company under Clause 5.4. In the event that the Underwriter is not called upon to subscribe for or procure subscription of all or part of the Rights Shares pursuant

to Clause 5 and/or the amount of the aggregate Subscription Price payable by the Underwriter under Clause 5.4 is less than the Underwriter's Fees, the Company shall pay to the Underwriter the Underwriter's Fees or the balance thereof, as the case may be, on or before the Share Certificate Despatch Date or such other date as the Parties may agree in writing.

7.5 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrar's fees, the costs of printing and distributing the Announcement and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and capital duty (if any) payable on the increase or issue of its share capital). The Company shall as soon as practicable upon written request by the Underwriter reimburse the Underwriter for any such costs, charges and expenses which the Underwriter has properly paid or incurred at the request and on behalf of the Company.

7.6 The Underwriter may enter into sub-underwriting arrangements with sub-underwriters or appoint any persons to be sub-agents on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under this Agreement.

8. ANNOUNCEMENTS

Save as required under this Agreement, the GEM Listing Rules or the SFO or by the Stock Exchange or the SFC, no public announcement or communication to the Shareholders, the Stock Exchange or the SFC concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue shall be made or despatched by the Company or the Underwriter between the date hereof and, if all the Rights Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter are obliged to make payment under Clause 5.4, without the prior written approval from the Company and the Underwriter as to the content, timing and manner of making or despatch thereof which approval shall not be unreasonably withheld or delayed.

9. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

9.1 The Company represents, warrants and undertakes to the Underwriter that:

(a) the facts stated in the recitals (A), (B), (C) and (D) to this Agreement are true and accurate in all material respects;

(b) all statements of facts contained or to be contained in the Announcement or in the Prospectus Documents are and will at the date of issue thereof be true, accurate and not misleading in all material respects and all expressions of opinion, intention and expectation expressed therein are and will be fair and made after due and careful consideration;

(c) there will be no information not disclosed in the Prospectus Documents: (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, might be material for disclosure therein; or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;

(d) the audited consolidated balance sheet of the Group as at the Audited Accounts Date, the audited consolidated profit and loss account of the Group for the financial year ended on the Audited Accounts Date (including the notes thereto) were prepared in accordance with the applicable law and on a basis consistent with that adopted in preparing the audited accounts for the previous two (2) financial years in accordance with accounting principles, standards and practices generally accepted in Hong Kong so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group as at the relevant dates and the profit or loss of the Group for the relevant financial periods. There has been no material adverse change in the financial and trading position of the Group since the Audited Accounts Date;

(e) the returns for taxation purposes, which ought to have been made by or in respect of the companies in the Group in Hong Kong and any other part of the world,

have been duly made and there are no circumstances known to any company in the Group or any of their respective directors, after making due and careful enquiry, which might be the occasion of any dispute with the relevant revenue or other appropriate authorities which is materially adverse to the Group and all such returns are in all material respects up-to-date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities;

(f) all information necessary for the purpose of, or in the course of preparation of, the Announcement and the Prospectus, or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to the Underwriter or its legal advisors fully, fairly and accurately;

(g) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on;

(h) neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceedings of material importance nor is there any such proceedings pending or threatened against the Company or any of its subsidiaries, nor, to the best knowledge of the Company, is there any claim or fact likely to give rise to any claim which in any such case may have or has had a material adverse effect on the financial position of the Company and its subsidiaries taken as a whole or which may have or has had a material adverse effect in the context of the Rights Issue;

(i) except as has been disclosed by the Company by public announcement to the Shareholders, neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature which, in the context of the Rights Issue, might be material for disclosure;

(j) the Company and its subsidiaries have carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries which has not been

fully and properly disclosed by the Company in the form of an announcement in accordance with the GEM Listing Rules or otherwise as required by the GEM Listing Rules;

(k) no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any of the assets of the Group; none of the Company or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 or 327 of the C(WUMP)O, as the case may be, or has stopped paying its debts as they fall due; and no unsatisfied judgment which is materially adverse to the condition of the Company is outstanding against the Company or any of its subsidiaries;

(l) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the C(WUMP)O, the GEM Listing Rules, the rules and regulations of the Stock Exchange and all other relevant statutory provisions and governmental regulations in Hong Kong and the Cayman Islands and shall not involve any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;

(m) no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending which with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;

(n) save and except for issuing new Shares pursuant to the outstanding Share Options, the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares;

(o) the Company has power under its memorandum and articles of association, has or will have taken all necessary corporate or other action to enable it to, and no other consents, actions, authorisations or approvals (other than the consent and approvals referred to in Clause 2.1) are necessary to enable or authorise it to:

(i) allot and issue the Rights Shares in accordance with the Prospectus Documents without any sanction;

(ii) deal with the Rights Shares attributable to the Non-Qualifying Shareholders, if any, as may be specified in the Prospectus Documents; and

(iii) enter into and perform its obligations under this Agreement and to make the Rights Issue;

(p) the Rights Shares, when allotted, issued and fully paid, will be free from all liens, charges and other encumbrances and third-party rights, interests or claims of any nature whatsoever and will rank *pari passu* in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Rights Shares; and

(q) the obligations of the Company under this Agreement constitute legally valid and binding obligations of the Company enforceable in accordance with the terms herein.

9.2 The Company further undertakes to use its reasonable endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination. Each of the representations, warranties and undertakings set out in Clause 9.1 shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other representations, warranties and undertakings or any other terms of this Agreement. If this Agreement is not terminated by the Underwriter pursuant to Clause 10, all such representations, warranties and undertakings shall be deemed to be repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

9.3 If any Specified Event shall occur and come to the knowledge of the Company prior to the Latest Time for Termination, the Company shall give notice to the Underwriter of the same as soon as practicable.

9.4 The Underwriter represents, warrants and undertakes to the Company that:

(a) the Underwriter is a company duly incorporated, validly existing and in good standing under the laws of Hong Kong;

(b) the Underwriter is a corporation licensed to carry on type 1 (dealing in securities and type 4 (advising on securities) regulated activities under the SFO;

(c) the execution and performance by the Underwriter of this Agreement, including to subscribe for or procure subscription of the Underwritten Shares as contemplated hereunder, have been duly authorised by all necessary action on the part of the Underwriter; and

(d) the obligations of the Underwriter under this Agreement constitute legally valid and binding obligations of the Underwriter enforceable in accordance with the terms herein.

10. TERMINATION

10.1 The Underwriter shall be entitled by giving written notice to the Company to terminate this Agreement if any of the following occurs prior to the Latest Time for Termination:

(a) any of the following which, in the reasonable opinion of the Underwriter, will or is likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue:

(i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); and

(ii) the occurrence, happening, coming into effect or becoming public knowledge of: (1) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of HK$ is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten (10) consecutive Business Days (other than pending publication of the Announcement or any document relating to the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof;

(b) any change in the circumstances of the Company or any member of the Group occurs which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including, without limitation, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material assets of the Group;

(c) any event of force majeure occurs, including, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, pandemic outbreak, terrorism, armed conflict, strike or lock-out;

(d) the commencement by any third party of any litigation or claim against any member of the Group which is material to the Group taken as a whole;

(e) any other material adverse change in relation to the business or the financial or trading position of the Group as a whole;

(f) the Company commits a material breach of this Agreement where, in the reasonable opinion of the Underwriter, such breach will or is likely to have a material and adverse effect on the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a material prejudicial effect on the Rights Issue;

(g) the Underwriter receives notification pursuant to Clause 9.3 of, or otherwise becomes aware of, the fact that any representation or warranty of the Company as set out in Clause 9.1 was, when given, untrue, inaccurate or would be untrue or inaccurate if repeated as provided in Clause 9.2, and the Underwriter shall, in its reasonable discretion, determine that such untrue or inaccurate representation or warranty represents or is likely to present a material adverse change in the business or the financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;

(h) any condition to enable the Rights Issue (in nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;

(i) any statement contained in the Announcement or any Prospectus Document has been shown to be untrue, inaccurate, incomplete or misleading in a material respect with reference to the date on which such statement was made; or

(j) the Company shall, after any Specified Event has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents) in such manner and with such content as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company and in accordance with the GEM Listing Rules and/or the SFO.

10.2 Upon the giving of notice by the Underwriter pursuant to Clause 10.1, all obligations of the Parties hereunder shall cease and determine and no Party shall have any claim against the other Party in respect of any matter or thing arising out of or in connection with this Agreement, but without prejudice to any rights of any Party in respect of any antecedent breaches.

11. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the Parties, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

12. NOTICE

12.1 Any notice, demand or other communication required or permitted to be given hereunder shall be delivered personally or sent by pre-paid post or by fax to the following address or fax number of the Party due to receive the same and marked for the attention of the person designated by such Party:

Party	Address	Attention	Facsimile number
The Company	Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong	Ms. Michelle Lam	2544 0399
The Underwriter	1/F, E168, No. 166-168 Des Voeux Road, Central, Hong Kong	Elvis Lam	3102 3023

12.2 Any notice, demand or other communication served in accordance with Clause 12.1 shall be deemed served: (a) if delivered personally, at the time of delivery; (b) if sent by pre-paid post, two (2) Business Days after the date of posting; and (c) if sent by fax, upon receipt by the Party giving the same of a machine printed confirmation of fax transmission.

13. GENERAL

13.1 This Agreement may be executed in two (2) counterparts, each of which when so executed shall be an original, but both of which shall constitute one and the same instrument.

13.2 Any liability of any Party hereunder to the other Party may in whole or in part by released, compounded or comprised and time or indulgence may be given by any Party hereunder as regards the other Party under such liability without prejudicing that Party's rights against any other person under the same or a similar liability.

13.3 The illegality, invalidity or unenforceability of any provision hereof shall not affect the continuation in force of the remainder of this Agreement.

13.4 No variation of this Agreement shall be effective unless made in writing and signed by both Parties.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE

The provisions of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) are expressly excluded from and do not apply to this Agreement.

15. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. Each Party hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts.

[The remaining part of this page is intentionally left blank.]

In witness whereof the Parties have duly executed this Agreement on the day and year first above written.

THE COMPANY

SIGNED by)
)
its director(s) / person(s) authorised by)
resolution of the board of directors for and on)
behalf of **CHINA INFORMATION**)
TECHNOLOGY DEVELOPMENT)
LIMITED 中國信息科技發展有限公司)
in the presence of:

For and on behalf of
China Information Technology Development Limited
中國信息科技發展有限公司

Authorized Signature(s)

Signature of witness: _____

Name of witness: Lam Mei Wai Michelle

In witness whereof the Parties have duly executed this Agreement on the day and year first above written.

THE UNDERWRITER

SIGNED by	)
	)
its director(s) / person(s) authorised by resolution	)
of the board of directors for and on behalf of	)
RAFFAELLO SECURITIES (HK) LIMITED	)
in the presence of:	)

For and on behalf of
RaffAello Securities (HK) Limited

.....
Authorized Signature(s)

Signature of witness: _____

Name of witness: LEE, HA YOUNG

Docusign Envelope ID: EE00F153-98B9-4BD8-A40A-0D95CE92FC63

Execution Version

DATED 7th NOVEMBER 2024

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
(as "**Company**")

and

A M K M INVESTMENTS L.L.C.
(as "**Subscriber**")

SUBSCRIPTION AGREEMENT

relating to 12,353,000 shares in the capital of

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

Docusign Envelope ID: EE00F153-98B9-4BD8-A40A-0D95CE92FC63

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THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is dated 7th day of November 2024 and made

AMONGST:

(1) **CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED**, a company incorporated under the laws of the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, P .O . Box 2681, Grand Cayman KY1-1111, Cayman Islands and whose principal place of business in Hong Kong is at Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong and whose shares are listed on GEM of The Stock Exchange of Hong Kong Limited with stock code: 8178 (the "**Company**"); and

(2) **A M K M INVESTMENTS L.L.C.**, a limited liability single owner company incorporated in United Arab Emirates with license number 815821 and having its registered address at office 204 AMKM Building, 2nd December Street, Dubai, United Arab Emirates (the "**Subscriber**").

WHEREAS:

(A) The Company was incorporated as a company with limited liability in the Cayman Islands.

(B) At the date of this Agreement, the Company has an authorised capital of HK$1,200,000,000.00 divided into 12,000,000,000 ordinary shares of HK$0.1 par value each (the "**Shares**", each a "**Share**"), of which 73,265,237 Shares have been issued and are fully paid up and are listed on GEM (as defined below) of the Stock Exchange (as defined below).

(C) The Company has agreed to allot and issue to the Subscriber, and the Subscriber has agreed to subscribe for an aggregate of 12,353,000 new Shares, representing approximately 20% of the issued share capital of the Company as at the Grant Date (as defined below), upon the terms and subject to the conditions set out in this Agreement.

THE PARTIES AGREE THAT:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following words and expressions shall have the following meanings, unless the context otherwise requires:

"Affiliate"	of a Person (the "**Subject Person**") means (a) in the case of a Person other than a natural person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with the Subject Person, and (b) in the case of a natural person, any other Person that directly or indirectly is Controlled by the Subject Person or is a relative of the Subject Person;
"Announcement"	means the announcement (in the agreed form with such amendments as may be required by the Stock Exchange)

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	to be released by the Company in relation to this Agreement and the matters contemplated herein;
"Board"	means the board of directors of the Company for the time being;
"Business Day"	means a day on which licensed banks in Hong Kong are required to be and are generally open for business (other than any Saturday, Sunday or gazetted public holiday in Hong Kong);
"CCASS"	means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
"company"	means any company or body corporate wherever incorporated;
"Companies Ordinance"	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
"Company Warranties"	means the representations, warranties and undertakings of the Company contained or referred to in Clause 6.1;
"Completion"	means the completion of the issue and allotment of the Subscription Shares by the Company to the Subscriber in accordance with the terms and conditions of this Agreement;
"Completion Date"	means a date within ten (10) Business Days after all of the Conditions have been fulfilled by the Company or the Subscriber or, as the case may be, waived by the Company or the Subscriber (or such later date as the Company and the Subscriber may agree in writing);
"Conditions"	means the conditions precedent specified in Clause 4.1;
"Consideration"	means an amount equal to the number of the Subscription Shares multiplied by the Subscription Price (together with SFC transaction levy, Stock Exchange trading fee and other levies and fees as may be payable by the Subscriber);
"Control"	of a Person means the (a) direct or indirect ownership of more than 50% of the voting securities of such Person, (b) the right to appoint, or cause the appointment of, more than 50% of the members of the board of directors (or similar governing body) of such Person, and (c) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of

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	such Person, whether through the ownership of voting securities or by contract or otherwise, and "**Controlled**" shall be construed accordingly;
"Director(s)"	means the director(s) of the Company from time to time;
"Encumbrance"	means any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of Law), equities, hypothecation or other encumbrance, priority or security interest, whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same;
"GEM"	means the Growth Enterprise Market of the Stock Exchange;
"GEM Listing Committee"	means the GEM listing committee of the Stock Exchange;
"GEM Listing Rules"	means the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as may be amended or supplemented from time to time;
"General Mandate"	means the general mandate granted by the Shareholders on 28 June 2024 to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company on such date;
"**Governmental Authority**"	means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and the governing body of any securities exchange, in each case having competent jurisdiction;
"Grant Date"	means 28 June 2024, the date on which the General Mandate was granted by the Shareholders to the Board;
"Group"	means the group of companies comprising the Company and its Subsidiaries, and "**Group Company**" and "**member of the Group**" shall be construed accordingly;
"HK$" or "Hong Kong dollars"	means Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	means The Hong Kong Special Administrative Region of the People's Republic of China;

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"Law"	means all laws, regulations, codes, rules, guidelines, notices, circulars, orders, judgments, decrees or rulings of any court, government, Governmental Authorities or regulatory authorities;
"Long Stop Date"	means 28 days after the date of this Agreement (or such later date as the Company and the Subscriber may agree in writing);
"Parties"	means the named parties to this Agreement and a "**Party**" means any one of them;
"Person"	means any individual, partnership, limited liability company, limited liability partnership, joint venture, or governmental agency or any agency or political subdivision thereof, firm, corporation, association, trust, unincorporated organisation or other entity;
"Proposed Dual Listing"	means the proposed dual listing of the Company's ordinary shares on NASDAQ Dubai or the Abu Dhabi Securities Exchange (ADX) in the United Arab Emirates or such other stock exchanges as the Company and the Subscriber may agree;
"Relevant Share(s)"	means the Subscription Shares and any shares or other securities of the Company which are derived from the Subscription Shares, including any convertibles, equity-linked securities and derivatives with underlying assets being the Subscription Shares (pursuant to any rights issue, capitalization issue, capital reorganization or otherwise) whether such other transaction is to be settled by delivery of the Relevant Shares in cash or otherwise;
"SFC"	means the Securities and Futures Commission;
"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	means ordinary share(s) with a par value of HK$0.10 each in the share capital of the Company, and a "**Share**" means each and any one of such shares;
"Shareholder(s)"	means the holder(s) of the Share(s);
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subscriber Warranties"	means the representations, warranties and undertakings of the Subscriber contained or referred to in Clause 6.2;

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"Subscription"	means the subscription by the Subscriber for the Subscription Shares pursuant to and in accordance with the terms hereof;
"Subscription Price"	means HK$6.31 per Subscription Share;
"Subscription Share(s)"	means 12,353,000 new Shares, representing approximately 20% of the issued share capital of the Company as at the Grant Date, to be subscribed for in cash by the Subscriber pursuant to and in accordance with the terms hereof;
"Subsidiary"	shall have the meaning as attributing to it in section 15 of the Companies Ordinance, save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinances of the Laws of Hong Kong and to any unincorporated body of persons;
"Takeovers Code"	means the Hong Kong Code on Takeovers and Mergers issued by the SFC;
"United States" or "US"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"US$" or "United States dollars"	means United States dollars, the lawful currency of the United States; and
"Warranties"	means the Company Warranties and/or the Subscriber Warranties.

1.2 References in this Agreement to Clauses are to clauses in this Agreement (unless the context otherwise requires). The Recitals of this Agreement shall be deemed to form part of this Agreement.

1.3 Headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.4 The expressions the "**Company**" and the "**Subscriber**" shall, where the context permits, include their respective personal representatives, assigns and successors.

1.5 Unless the context requires otherwise, words and expressions defined in the Companies Ordinance shall bear the same respective meanings when used in this Agreement.

1.6 Any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations,

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instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared.

1.7 References to writing shall include any methods of producing or reproducing words in a legible and non-transitory form.

2. AGREEMENT TO SUBSCRIBE

2.1. Subject to the satisfaction of the Conditions, or the waiver of all or any of the Conditions by any of the Parties pursuant to Clause 4.3, on Completion, the Company agrees to allot and issue to the Subscriber and the Subscriber agrees to subscribe for the Subscription Shares at the Subscription Price.

2.2. The Subscription Shares shall rank *pari passu* in all respects with the existing Shares in issue as at the Completion Date and shall be allotted and issued by the Company free from all liens, charges, security interests, Encumbrances or other third party rights together with all rights attaching thereto on and after the date of their allotment including all dividends declared or payable or distributions made or proposed to be made at any time by reference to a record date falling on or after the date of allotment of the Subscription Shares.

3. CONSIDERATION

The Subscription Price payable to the Company on Completion by the Subscriber for the issue and allotment of the Subscription Shares shall be HK$6.31 per Subscription Share for an aggregate amount of US$9,993,260 (equivalent to approximately HK$77.9 million) (together with SFC transaction levy, Stock Exchange trading fee and other levies and fees as may be payable by the Subscriber).

4. CONDITIONS PRECEDENT

4.1 Completion of the Subscription under this Agreement shall be conditional upon the following conditions precedent being fulfilled (or being waived by any of the Parties in accordance with Clause 4.3) on or before 5:00 p.m. (Hong Kong time) on the Long Stop Date:

(a) the compliance with the requirements of the Stock Exchange and the GEM Listing Rules, including but not limited to the listing of and permission to deal in all of the Subscription Shares being granted by the GEM Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions);

(b) the Shares remaining listed and traded on the Stock Exchange at all times from the date hereof to the Completion Date, save for any temporary suspension not exceeding five (5) consecutive trading days (as defined under the GEM Listing Rules), or such longer period as the Subscriber may accept in writing, and no indication being received by the Company on or before the Completion Date from the Stock Exchange to the effect that the listing of the Shares on the Stock

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Exchange will or may be withdrawn or objected to as a result of Completion or in connection with the terms of this Agreement;

(c) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscriber;

(d) the Company Warranties remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date hereof and at Completion;

(e) the Subscriber Warranties remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date hereof and at Completion;

(f) each of the Parties having performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement on or prior to the Completion Date; and

(g) prior to Completion, there being no occurrence of any change, or any development or event reasonably likely to involve a prospective change in the financial condition, operations, legal environment, business or properties of the Company which, in the reasonable opinion of the Subscriber, is material and adverse to the issue of the Subscription Shares.

4.2 The Subscriber undertakes to the Company to use all reasonable endeavours to provide necessary information as may be reasonably required by the Stock Exchange for inclusion in the Announcement or any subsequent documents which the Company is reasonably required for compliance with the GEM Listing Rules as a result of the transactions contemplated under this Agreement.

4.3 The Subscriber may in its absolute discretion at any time waive in writing Conditions under Clauses 4.1(b), (c), (d), (f) and/or (g) (or any part thereof), and the Company may in its absolute discretion at any time waive in writing Conditions under Clauses 4.1(c), (e) and/or (f) (or any part thereof), and such waiver by the waiving Party may be made subject to such terms and conditions as are determined by the waiving Party.

4.4 Each of the Company and the Subscriber shall use its reasonable endeavours to procure the fulfilment of the Conditions as soon as possible and in any event on or before the Long Stop Date. The Company shall notify the Subscriber as soon as practicable after it becomes aware of fulfilment of the Conditions.

4.5 In the event any of the Conditions is not fulfilled (or being waived by any of the Parties pursuant to Clause 4.3), at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, the obligations of the Parties under this Agreement shall forthwith cease to be of any effect and none of the Parties shall be bound to carry out the remaining terms of this Agreement and no Party shall have any right to damages or reimbursement for any cost and expenses that it may have incurred in connection with or arising out of this Agreement or the failure to complete the Subscription, except for this Clause 4, Clause 1 (Definitions and Interpretation), Clause 7 (Confidentiality), Clause 10 (Notices), Clause 11 (General), and Clause 13 (Governing Law, Jurisdiction and Miscellaneous)

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which shall continue to remain in force or any claims arising out of any antecedent breach of this Agreement or any accrued rights or remedies of any Party arising prior to such date.

5. COMPLETION OF THE SUBSCRIPTION

5.1 Subject to fulfilment (or, where appropriate, waiver by any of the Parties pursuant to Clause 4.3) of the Conditions, Completion shall take place on the Completion Date at the Company's office (or such other place as the Company and the Subscriber may agree), when all (but not some only) of the events described in this Clause 5 shall occur.

5.2 On or before Completion, the Company shall:

(a) deliver or cause to be delivered to the Subscriber or to the order of the Subscriber:

(i) a certified copy of the board resolutions of the Company approving, amongst others,

(1) the execution and completion of this Agreement;

(2) the allotment and issue of the Subscription Shares in accordance with this Agreement and the entry of the Subscriber (or its nominee(s)) in the register of members in respect of such Shares; and

(3) any necessary actions to be undertaken by the Directors for the purpose of giving effect to the above board resolutions; and

(ii) such documents as may be required to give good title to the Subscription Shares and to enable the Subscriber and/or its nominee(s) to become registered holders of them;

(b) allot and issue the Subscription Shares to the Subscriber (or its nominee(s)) and shall promptly cause to be registered without registration fee the Subscriber (or its nominee(s)) onto the register of members of the Company, and either (i) deliver to the Subscriber definitive share certificates in respect of the Subscription Shares in the name of the Subscriber or such other Person as the Subscriber may direct; or (ii) deposit the same in CCASS as the Subscriber shall direct, in each case as the Subscriber may at its option require by giving not less than five (5) Business Days prior notice in writing to the Company; and

(c) deliver or procure the delivery to the Subscriber a copy of the letter from the Stock Exchange confirming that the GEM Listing Committee has granted listing of and permission to deal in the Subscription Shares.

5.3 At Completion, the Subscriber shall make or procure the making of payment in Hong Kong dollars or United States dollars for value on the Completion Date to the Company for the sum equivalent to the Consideration (together with SFC transaction levy, Stock Exchange trading fee and other levies and fees as may be payable by the Subscriber) by

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way of transfer to the bank account nominated for this purpose by the Company not less than three (3) Business Days prior to the Completion Date or in such other manner as may be agreed between the Company and the Subscriber.

5.4 Neither the Subscriber nor the Company shall be obliged to complete this Agreement or perform any obligations hereunder unless the Parties comply fully with the requirements of Clause 5.2 and Clause 5.3. Without prejudice to any other remedies which may be available to the Party not in default on the Completion Date, the Party not in default may:

(a) defer Completion to a date falling not more than twenty-eight (28) calendar days after the original Completion Date (so that the provisions of this Clause 5 shall apply to the deferred Completion), provided that time shall be of the essence as regards the deferred Completion; or

(b) proceed to Completion so far as practicable (but without prejudice to its rights hereunder); or

(c) treat this Agreement as terminated for breach by the other Party of a condition of this Agreement.

6. WARRANTIES

6.1 The Company represents, warrants and undertakes to the Subscriber that:

(a) the Subscription Shares will when issued and fully paid rank *pari passu* in all respects with the existing Shares then in issue, including the right to receive all dividends and distributions which may be declared made or paid after the Completion Date, and will not be subject to any kind of pre-emptive rights. The Subscription Shares when issued and fully paid will be freely transferable (subject to the lock-up undertaking under Clause 8) free and clear of all Encumbrances, liens, equities or claims and will be duly listed, and admitted to trading, on the GEM Board of the Stock Exchange;

(b) the Company has the full right, power and authority to enter into and perform its obligations under this Agreement, to allot and issue the Subscription Shares without any consent of its members and all necessary authorisations, approvals, consents and licences relating to the same will, prior to completion of the Subscription, be unconditionally obtained and will, prior to completion of the Subscription, be in full force and effect, and this Agreement is a legal, valid and binding agreement of the Company, enforceable in accordance with its terms;

(c) all of the Subscription Shares shall be allotted and issued by the Company pursuant to the General Mandate;

(d) the Company has not received any notice from the Stock Exchange, the SFC or other regulatory bodies alleging that it is in breach of any rules, regulations or requirements of the Stock Exchange, the SFC and such regulatory bodies and which would materially and adversely affect the financial condition of the Group and which has a material and adverse effect to the completion of the Subscription;

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(e) the execution, delivery and performance of this Agreement and all other ancillary documents and the consummation of the transactions contemplated hereby or thereby do not and will not conflict with, or result in any breach or violation of, any judgment, order or decree, trust deed, mortgage, agreement or other instrument or arrangement by which the Company is bound; and

(f) the Company will make all appropriate disclosures pursuant to, and will comply in all respects with, the GEM Listing Rules, SFO and the Takeovers Code (where applicable) in connection with the Subscription.

6.2 The Subscriber represents, warrants and undertakes to the Company that:

(a) all necessary consents and authorizations have been obtained to enable it to enter into this Agreement, it has power under its constitutional documents to enter into this Agreement and the entering into and performance of this Agreement is duly authorized and when duly executed will constitute valid and legally binding and enforceable obligations of the Subscriber;

(b) this Agreement and any other documents to be executed by the Subscriber pursuant to or in connection with this Agreement will, when executed, constitute its legal, valid and binding agreement enforceable in accordance with its terms, and will not violate any existing material agreements or obligations;

(c) it is not in breach in any material respect in the context of the Subscription of any applicable Law, decree, judgment, legislation, order, regulation, statute, ordinance, treaty or other legislative measure;

(d) it does not hold any Shares or relevant interests in any member of the Group except pursuant to this Agreement; and

(e) it will accept the Subscription Shares subject to the memorandum and bye-laws of the Company.

6.3 The representations and warranties set out in this Clause 6 are given as at the date hereof and shall be deemed to be repeated by the relevant Party on Completion as if given or made at such time, with reference in each case to the facts and circumstances then subsisting. The Parties undertake up to and until the Completion of this Agreement or its earlier termination to notify, as soon as practicable, the other Party of any matter or event coming to its attention prior to the date of the Completion which would or would reasonably be considered to render or have rendered any of the representations and warranties made by it set out in this Clause 6 untrue, inaccurate or misleading in any material respect.

7. CONFIDENTIALITY

7.1. None of the Parties shall, without the prior consent of the other Party, disclose any confidential information relating to the other Party or the terms of, or any matters referred to in, this Agreement except to its professional advisers and senior management whose province it is to know such terms or matters and to those Persons to whom it may be necessary to disclose such terms or matters for the purpose of or in connection

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with this Agreement and subject as required by Law or by the Stock Exchange, the SFC or any other relevant authorities in Hong Kong or elsewhere or by virtue of the GEM Listing Rules, SFO, Takeovers Code or of any other regulatory requirements and except to the extent that such information is in the public domain.

7.2. No Party shall prior to Completion and thereafter, make any public announcement in relation to the transactions the terms of which are set out in this Agreement or the transactions or arrangements hereby contemplated or herein referred to or any matter ancillary hereto or thereto (save as required by Law or by the Stock Exchange, the SFC or any other relevant authorities in Hong Kong or elsewhere or by virtue of the GEM Listing Rules, SFO, Takeovers Code or of any other regulatory requirements) without the respective prior consent of the other Party (such consent shall not be unreasonably withheld or delayed).

7.3. Notwithstanding the above, the Company agrees that prior to the disclosure or use of any information relating to the Subscriber and/or its owner and founder, the Company shall give no less than three (3) Business Days' written notice to the Subscriber and agree with the Subscriber on the contents of such disclosure.

8. LOCK-UP PERIOD

8.1 The Subscriber hereby undertakes to the Company that without the prior written consent of the Company, prior to the date of completion of the Proposed Dual Listing (the "**Lock-Up Period**"), it (or its nominees) will remain the sole beneficial owner of the Relevant Shares which are not subject to any Encumbrances, and shall not directly or indirectly dispose any of the Relevant Shares.

8.2 The Subscriber hereby further undertakes that, without the prior written consent of the Company, the Subscriber shall not directly or indirectly pledge, charge, or create Encumbrance over the Relevant Shares during the Lock-Up Period.

8.3 Notwithstanding Clause 8.1, the Lock-Up Period shall automatically expire if the Proposed Dual Listing does not take place on or before the third anniversary of this Agreement or any date agreed by the Parties in writing.

8.4 Nothing in this Clause 8 shall prevent the Subscriber or its nominee (if applicable) from:

(a) using the Subscriber Shares held by it as security (including a charge or a pledge) for a bona fide transaction in favour of any Person; or

(b) transferring the Subscriber Shares to any of its Affiliates or any special purpose vehicle established for the purpose of holding the Subscription Shares,

(the "**Permitted Dealings**").

8.5 For avoidance of doubt, nothing in this Agreement requires the Subscriber to inform the Company of any Permitted Dealing with respect to the Subscriber Shares.

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9. POST-COMPLETION UNDERTAKING

The Company undertakes to appoint a representative of the Subscriber as co-head of advisers to the Board within ten (10) Business Days upon Completion of the Subscription, subject to securing the required approval from the Board. The role of such co-head is to use its reasonable endeavours to assist the Company in developing its business in the Gulf Cooperation Council region.

10. NOTICES

10.1 Any notice required to be given by any Party to the other Party shall be deemed validly served by email or hand delivery or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to its number given herein or such other address as may from time to time be notified for this purpose and any notice served by hand shall be deemed to have been served on delivery, any notice served by email or facsimile transmission shall be deemed to have been served when sent and any notice served by prepaid registered letter shall be deemed to have been served forty-eight (48) hours (or seventy-two (72) hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted and in proving service it shall be sufficient (in the case of service by hand and prepaid registered letter) to prove that the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by email or facsimile transmission to prove that the transmission was confirmed as sent by the originating machine.

10.2 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address, email address or fax number set out below (or such other address, email address or fax number as the addressee has by five (5) calendar days' prior written notice specified to the other Party):

To the Company:

Address	:	Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong
Attention	:	Mr. Wong King Shiu, Daniel
Email address		danielwong@citd.com.hk
Facsimile Number	:	+852 2544 0399

To the Subscriber:

Address	:	26th Floor, Rolex Tower Sheikh Zayed Road P.O. Box 33675 Dubai
Attention	:	Shaikh Ahmed Bin Manea Bin Khalifa Al-Maktoum
Email address		ahmed@amkm.ae with a copy to s.elsheikh@taylorwessing.com
Facsimile Number	:	+971554530000

10.3 Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered:

(a) if given or made by letter, when actually delivered to the relevant address;

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(b) if given or made by fax, when despatched subject to machine-printed confirmation of receipt being received by the sender; and

(c) if given or made by email, at the time of sending provided that (i) it is not returned undelivered, and (ii) it is delivered by 5:00 p.m. (Hong Kong time). In the event that the e-mail is sent after 5:00 p.m. (Hong Kong time), it shall be deemed to be delivered on the following day.

11. GENERAL

11.1 Except as specifically provided for in this Agreement, neither Party hereto shall assign any of its rights under this Agreement or purport to do so. This Agreement shall be binding upon and enure for the benefit of the personal representatives, assigns or successors of the Parties.

11.2 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the Parties and supersedes any previous agreements or arrangements between them relating to the subject matter hereof. It is expressly declared that no variations hereof shall be effective unless made in writing and signed by duly authorised representatives of the Parties.

11.3 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed by the Parties at Completion).

11.4 If any provision or part of a provision of this Agreement shall be, or be found by any authority or court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.

11.5 Any right of rescission or termination of this Agreement conferred upon any Party hereby shall be in addition to and without prejudice to all other rights and remedies available to it (and, without prejudice to the generality of the foregoing, shall not extinguish any right to damages to which the relevant Party may be entitled in respect of the breach of this Agreement) and no exercise or failure to exercise such a right of rescission shall constitute a waiver by that Party of any such other right or remedy.

11.6 Each Party may release or compromise any liability of any other Party hereunder or grant to any other Party any time or other indulgence without affecting any liability of any other Party hereunder.

11.7 No failure of any Party to exercise, and no delay or forbearance in exercising, any right, power or remedy in respect of any provision of this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

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11.8 This Agreement may be executed in one or more counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.

11.9 Each of the Parties shall pay its own costs, charges and expenses (including legal costs and expenses) incurred in connection with the negotiation, preparation and implementation of this Agreement and transactions contemplated hereunder.

11.10 Each Party shall on demand of the other and at its own expense do or execute so procure to be done or executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement.

12. THIRD PARTY RIGHTS

12.1 Unless expressly provided to the contrary in this Agreement, a Person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

12.2 Notwithstanding any term of this Agreement, the consent of any Person who is not a Party is not required to rescind or vary this Agreement at any time.

13. GOVERNING LAW, JURISDICTION AND MISCELLANEOUS

13.1 This Agreement shall be governed by and shall be construed in accordance with the laws of Hong Kong.

13.2 The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement may be brought in such courts.

13.3 Each Party hereby agrees that process may be served at the address for service of notices pursuant to Clause 10.2.

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EXECUTION PAGE

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties on the date first above written.

THE COMPANY

SIGNED by **WONG KING SHIU, DANIEL**)
for and on behalf of)
CHINA INFORMATION TECHNOLOGY)
DEVELOPMENT LIMITED)
)
in the presence of: -)
)
Signature of witness:)
)
)
)
)
)

For and on behalf of
China Information Technology Development Limited
中國信息科技發展有限公司

簽署人：

Authorized Signature(s)

BE58780F9B354DB...

Director

簽署人：

Chang Ki Sum Clark

63CCF1A8226249E...

Name of witness: Chang Ki Sum Clark

Docusign Envelope ID: EE00F153-98B9-4BD8-A40A-0D95CE92FC63

THE SUBSCRIBER

SIGNED by **SHAIKH AHMED BIN MANEA BIN KHALIFA AL-MAKTOUM** for and on behalf of **A M K M INVESTMENTS L.L.C.** in the presence of: -

Signature of witness:

Signed by:
E24E01BAC69A427...

Name of witness: Saeed Malekpur

Signed by:
B46F96E757F443B...

Director

Prism

9 June 2026

The Board of Directors
China Information Technology Development Limited
Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road, Kwun Tong
Hong Kong

Dear Sirs,

Re: China Information Technology Development Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group")

We refer to the prospectus to be dated 11 June 2026 (the "Prospectus") in connection with the proposed rights issue on the basis of one rights share for every two existing shares held on the record date on a non-underwritten basis (the "Rights Issue").

We hereby consent to and confirm that we have not withdrawn our consent to the inclusion of our independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Group to be dated 11 June 2026 (the "Assurance Report on Unaudited Pro Forma Financial Information") in the Prospectus and the references to our name, in the form and context in which they are included.

We further consent to make available the Assurance Report on Unaudited Pro Forma Financial Information, and a copy of this letter for public inspection as described under the section headed "Documents on Display" in Appendix III to the Prospectus.

Yours faithfully,

Prism HK

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising Certificate Number: P06318

Hong Kong, 9 June 2026

Prism Hong Kong Limited
Units 1903A - 1905, 19/F, 8 Observatory Road, Tsim Sha Tsui, Hong Kong
T : +852 2774 2188 F : +852 2774 2322
www.prism.com.hk

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any territory or jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, and the other document(s) specified in the paragraph headed "14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND (3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES

Placing Agent to the Company

CheonG Lee 昌利證券

Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 15 June 2026 to Tuesday, 23 June 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the existing Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Friday, 24 July 2026) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

11 June 2026

CHARACTERISTICS OF GEM

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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APPENDIX III — GENERAL INFORMATION III-1

In this Prospectus, the following expressions shall have the following meanings unless the context otherwise requires:

"associate(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Announcement"	the announcement of the Company dated 21 April 2026 in relation to the Rights Issue and the Placing
"Board"	the board of Directors
"Business Day(s)"	a day on which licensed banks in Hong Kong are open for normal banking business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a "black rainstorm" warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"CCASS"	The Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular of the Company dated 13 May 2026 in relation to, among other things, the Rights Share and the Placing
"close associate(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
"Company"	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (Stock Code: 8178)
"connected person(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"controlled corporation(s)"	has the meaning as ascribed thereto under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"controlling shareholder(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Director(s)"	director(s) of the Company

"EGM"	the extraordinary general meeting of the Company convened and held on Thursday, 28 May 2026 at which the Rights Issue, the Placing Agreement and the transactions contemplated thereunder have been approved by the Independent Shareholders
"Extreme Conditions"	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage caused by super typhoons according to the revised "Code of Practice in Times of Typhoons and Rainstorms" issued by the Labour Department of Hong Kong
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	has the meaning as ascribed thereto under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholder(s)"	any Shareholder(s) who is(are) not required to abstain from voting on the resolution(s) relating to the Rights Issue, the Placing Agreement and the transactions contemplated thereunder at the EGM under the GEM Listing Rules
"Independent Third Party(ies)"	third party(ies) who are not connected persons of the Company and its subsidiaries and who are independent of the Company and connected persons of the Company
"Last Trading Day"	21 April 2026, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement

"Latest Practicable Date"	3 June 2026, being the latest practicable date prior to printing of this prospectus for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Friday, 26 June 2026 or such other time as may be agreed by the Company, being the latest time for application for, acceptance and payment in respect of the provisional allotments under the Rights Issue
"Latest Time for Termination"	5:00 p.m. on Friday, 24 July 2026 or such later date/time as may be agreed between the Company and the Placing Agent in writing, being the latest time to terminate the Placing Agreement
"MGO Obligation"	the obligation to make a mandatory general offer under the Takeovers Code
"No Action Shareholder(s)"	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed;
"NQS Unsold Rights Shares"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Non-Qualifying Shareholder(s)" or "NQS"	Overseas Shareholder(s) to whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Outstanding Share Options"	the outstanding share options to subscribe for an aggregate of up to 6,030,771 Shares granted under the Share Option Schemes which are exercisable on or before the Record Date
"Overseas Letter"	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
"Overseas Shareholder(s)"	Shareholder(s) whose address on the register of members of the Company is outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders

"Placee(s)"	institutional, corporate or individual investor(s) who are professional investors as defined under the SFO, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares on a best efforts basis by the Placing Agent and/or its sub-placing agent(s) to the Placees on the terms and conditions of the Placing Agreement
"Placing Agent"	Cheong Lee Securities Limited, a company incorporated in Hong Kong with limited liability, licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
"Placing Agreement"	the placing agreement dated 21 April 2026 entered into between the Company and the Placing Agent in relation to the Placing
"Placing Commission"	1% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent
"Placing Period"	the period commencing from Wednesday, 8 July 2026 and ending at 4:00 p.m. on Thursday, 23 July 2026, or such later date/time as may be agreed between the Company and the Placing Agent in writing
"Placing Price"	the placing price of the Placing Shares which shall not be less than the Subscription Price of HK$0.18 per Placing Share
"Placing Shares"	the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to be placed to the Placee(s) by the Placing Agent
"PRC"	the People's Republic of China, which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Previous Rights Issue"	the previous issue by way of rights of the rights shares on the basis of three (3) rights shares for every eight (8) existing Shares held on 10 September 2025, which was completed on 6 October 2025
"Prospectus"	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue

"Prospectus Documents"	the Prospectus and the PAL
"Prospectus Posting Date"	Thursday, 11 June 2026 or such later date the Company may determine for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
"Record Date"	Wednesday, 10 June 2026 or such other date the Company may determine for the determination of the entitlements under the Rights Issue
"Registrar"	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
"Rights Issue"	the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price
"Rights Share(s)"	up to 57,369,850 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Share Option Schemes"	the share option schemes adopted by the Company on 2 August 2012 and 15 May 2023, respectively
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.18 per Rights Share
"substantial shareholder(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as may be amended from time to time

"Unsubscribed Rights Share(s)"	the Rights Shares that are not subscribed by the Qualifying Shareholder(s) or renouncee(s) or transferee(s) of the nil-paid Rights Shares under the PAL(s)
"%"	per cent

The expected timetable for the Rights Issue and the Placing is set out below:

Event	Time and Date
First day of dealing in nil-paid Rights Shares	Monday, 15 June 2026
Latest time for splitting the PALs	4:30 p.m., Wednesday, 17 June 2026
Last day of dealing in nil-paid Rights Shares	Tuesday, 23 June 2026
Latest time for Acceptance of and payment for the Rights Shares	4:00 p.m., Friday, 26 June 2026
Announcement of results of the Rights Issue including the number of Placing Shares subject to the Placing	Tuesday, 7 July 2026
Commencement of placing of Placing Shares (if any) by the Placing Agent	Wednesday, 8 July 2026
Latest time for the Placing Agent to place the Placing Shares	4:00 p.m., Thursday, 23 July 2026
Latest time for Termination of the Placing Agreement	5:00 p.m., Friday, 24 July 2026
Announcement of the results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares)	Thursday, 30 July 2026
Despatch of share certificates for fully-paid Rights Shares	Friday, 31 July 2026
Despatch of refund cheques if the Rights Issue does not proceed	Friday, 31 July 2026
Commencement of dealings in fully-paid Rights Shares	Monday, 3 August 2026
Expected payment date of the Net Gain to the No Action Shareholder	Friday, 7 August 2026

All times and dates in this prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above are indicative only and may be extended, amended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Friday, 26 June 2026 if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or Extreme Conditions, and if such circumstances are:

(a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or

(b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m., Friday, 26 June 2026, the dates mentioned in the section headed "Expected Timetable" in this prospectus may be affected. An announcement will be made by the Company in such event.

中國信息科技發展有限公司
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

Executive Directors:
Mr. Wong King Shiu, Daniel *(Chairman and Chief Executive Officer)*
Mr. Chu Joshua Allen Kiu Wah
Mr. So Han Meng Julian

Non-Executive Directors:
Mr. Li Sai Wing, *MH, JP*
Ms. Leung Kar Ming, *MH*

Independent non-executive Directors:
Mr. Wong Hoi Kuen
Mr. Chu Wun Chiu
Ms. Dodo Chan

Head Office and Principal place of business in Hong Kong:
Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road
Kwun Tong
Hong Kong

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

11 June 2026

To the Shareholders,

Dear Sir or Madam,

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; (2) PLACING OF PLACING SHARES IN CONNECTION WITH THE RIGHTS ISSUE; AND (3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES

INTRODUCTION

References are made to the Announcement, the announcement in relation to the revised timetable dated 12 May 2026, the clarification announcement dated 15 May 2026 and the Circular.

At the EGM held on 28 May 2026, the proposed resolutions for approving the Rights Issue, the Placing Agreement and the transactions contemplated thereunder were duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 28 May 2026.

From the date of the Announcement and up to 10 June 2026, being the Record Date, no issue or repurchase of Shares has been conducted. As a result, the total number of issued Shares as at the Record Date was 114,739,700 Shares and the total number of Rights Shares to be issued will be up to 57,369,850 Rights Shares.

The purpose of this prospectus is to provide you with, among other things, further details on (i) the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) the financial information of the Group; and (iii) the general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK$0.18 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	114,739,700 Shares
Maximum of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed)	:	57,369,850 Rights Shares
Maximum total number of issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Up to 172,109,550 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

Maximum amount to be raised (assuming the Rights Issue is fully subscribed)	:	before expenses Up to approximately HK$10.33 million

As at the Latest Practicable Date, there are 6,030,771 outstanding Share Options granted by the Company. Such outstanding Share Options are exercisable into 6,030,771 Shares. Save for the foregoing, the Company has no other outstanding debt securities, derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 57,369,850 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents approximately 50% of the entire issued share capital of the Company as at the Latest Practicable Date and will represent approximately 33.33% of the entire issued share capital of the Company as enlarged by the issue of the Rights Shares.

As at the Latest Practicable Date, save for the unexercised share options granted by the Company pursuant to the Share Option Schemes, the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Subscription Price

The Subscription Price is HK$0.18 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 15.09% to the closing price of HK$0.212 per Share as quoted on the Stock Exchange on the Latest Practicable Day;

(ii) a discount of 25.6% to the average closing price of HK$0.242 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 26.0% to the average closing price of HK$0.243 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 17.68% to the theoretical ex-rights price of approximately HK$0.219 per Share based on the closing price of HK$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a discount of approximately 88.6% to the net asset value per Share of approximately HK$1.585 per Share based on the latest published audited consolidated net asset value attributable to owners of the Company of approximately HK$181.8 million as at 31 December 2025 as set out in the annual results announcement of the Company for the year ended 31 December 2025 and the total number of issued Shares of 114,739,700 Shares as at the Latest Practicable Date;

(vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 8.52% of the theoretical diluted price (as defined under Rule 10.44A of the GEM Listing Rules) of approximately HK$0.219 per Share to the benchmarked price of HK$0.2418 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price of HK$0.238 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK$0.242 per Share); and

(vii) a cumulative theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) in aggregate with the Previous Rights Issue represented by a discount of approximately 18.92%, represented by the cumulative theoretical diluted price of approximately HK$2.34 per Share to the benchmarked price of approximately HK$2.89 per Share (as defined under Rule 10.44A of the GEM Listing Rules) in respect of the Previous Rights Issue.

The cumulative theoretical diluted price, the benchmarked price and cumulative theoretical dilution effect (all defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are approximately HK$2.34 per Share, HK$2.89 per Share and 18.92%, respectively. The Rights Issue will not result in a cumulative theoretical dilution effect of 25% or more on its own. As such, the cumulative theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange.

The Subscription Price was determined with reference to (i) the prevailing market price and recent trading performance of the Shares which includes the daily closing price and daily trading volume of the Shares during the six months prior to the Last Trading Day, where the closing price of the Shares demonstrated an overall downward trend from HK$0.485 per Share on 21 October 2025 to HK$0.238 per Share on the Last Trading Day with an average daily trading volume amounting to approximately 10.6% of the total issued share capital of the Company as at the Last Trading Day, which indicated a lack of liquidity and demand for the Shares; (ii) the latest business performance and financial position of the Group. For the years ended 31 December 2024 and 2025, the Company recorded total comprehensive expense for the year of approximately HK$33.10 million and HK$111.4 million, respectively; (iii) the Directors' view that it is reasonable to set the Subscription Price at a discount to the closing price per Share on the Last Trading Day and the consolidated net asset value per Share attributable to the Shareholders as described above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate, given the unfavourable price trend and lack of liquidity of the Shares; (iv) the relatively large fundraising size when compared with the market

capitalisation of the Company as at the Last Trading Day; and (v) amount of funds the Company intends to raise for the purposes as discussed in the section headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this prospectus.

After thoroughly evaluating current market conditions and sentiment, relatively stagnant trading volume of the Shares and shareholder sentiment, the Board has determined that a relatively substantial discount to the current market price of the Shares, net asset value per Share as well as the benchmark price (as defined under Rule 10.44A of the GEM Listing Rules) of the Shares would be necessary to provide adequate incentive to encourage shareholder and potential institutional subscribers participation in the Rights Issue, while ensuring the fundraising objectives can be met. Despite the relatively substantial theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules), the Directors consider such effect is inevitable in order to achieve fundraising objectives and incentivise the Shareholders to participate in the Rights Issue considering the lack of liquidity and relatively stagnant trading volume of the Shares as demonstrated above. Accordingly, despite the Subscription Price is priced at a relatively substantial discount to the current market price of the Shares, net asset value per Share and the benchmark price of the Shares, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Further, the basis of the Rights Issue was determined and derived by the amount of funds the Company intends to raise for the Rights Issues, which is sufficient to meet the funding requirements as set out in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS" below in this prospectus.

The Directors consider that the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its shareholding in the Company held on the Record Date, the Board is of the view that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimising possible dilution impact. Based on the foregoing, the Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The estimated net price per Rights Share after deducting the related expenses of the Rights Issue is approximately HK$0.172.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue. In the event that the Rights Issue is not fully subscribed, any Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) together with the NQS Unsold Rights Shares

(collectively, the Placing Shares) will be placed to independent Placees on a best efforts basis through the Placing. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Company conducted an evaluation of potential underwriting arrangements for the Rights Issue, approaching a number of securities firms to assess their interest in acting as underwriter. However, only the Placing Agent expressed interest and willingness to participate as a placing agent, with no other underwriters prepared to commit to a full underwriting agreement.

Given the lack of underwriting interest, the Board determined that proceeding on a non-underwritten basis, combined with the Placing Agreement, represents the most viable and efficient approach to meet the Company's funding objectives.

Furthermore, as detailed in the section headed "Placing Agreement" below, the Unsubscribed Rights Shares, the NQS Unsold Rights Shares and a compensatory mechanism for No Action Shareholders and the Excluded Shareholders. After careful deliberation, the Board concluded that the terms of the Rights Issue, including the non-underwritten structure and the Placing, are fair, reasonable, and in the best interests of the Company and its Shareholders as a whole.

As the Rights Issue is not underwritten and has not set a minimum subscription amount, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Any subscription monies not utilized due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed, on a best efforts basis, to procure independent Placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (collectively, the "**Placing Shares**") at the Placing Price during the Placing Period. The Placing Agent shall ensure that the Placees and their respective ultimate beneficial owners (where applicable) shall be Independent Third Parties and that the Placing will not have any implications under the Takeovers Code and will not result in the public float of the Company being less than 25% of the issued share capital of the Company immediately upon completion of the Rights Issue. The Placing Agent shall scale down the number of Shares to be subscribed by the Placees on a pro rata basis to ensure compliance with the public float requirements under Rule 11.23(7) of the GEM Listing Rules, and therefore will not trigger any obligation to make a mandatory general offer under the Takeovers Code. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There will be no excess application arrangements in relation to the Rights Issue.

Undertaking

The Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue as at the date of this prospectus.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

(i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong of the Prospectus Documents in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

(ii) the posting to the Qualifying Shareholders and publication of the Prospectus Documents on the websites of the Stock Exchange and the Company on or before the Prospectus Posting Date;

(iii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms; and

(iv) the passing of the necessary resolution(s) by the Shareholders at the EGM to approve the Rights Issue.

None of the above conditions can be waived. If the conditions set out in paragraphs (i) to (iv) above are not fulfilled on or prior to the respective time stipulated therein, the Rights Issue will not proceed. No party thereto shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, condition (iv) has been fulfilled.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up his/her/its entitlement under the Rights Issue in full, his/her/its shareholding in the Company will be diluted.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must on the Record Date (i) be registered as a member of the Company; and (ii) not be a Non-Qualifying Shareholder.

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Friday, 26 June 2026.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regards a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company (the "**Registered Nominee**"). Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Based on the latest available register of members of the Company as at the Latest Practicable Date, there was one Shareholder with registered address situated in the PRC, who held 53 Shares in aggregate, representing approximately 0.0000462% of the issued share capital of the Company as at the Latest Practicable Date, and one Shareholder with registered address situated in the British Virgin Islands, who held 11,500,000 Shares, representing approximately 10.02% of the issued share capital of the Company as at the Latest Practicable Date.

The Company has complied with Rule 17.41(1) of the GEM Listing Rules and made enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders. The Company has obtained advice from legal advisers in the PRC and the British Virgin Islands, and has been advised that there are no restrictions under securities law or other similar laws in the PRC and the British Virgin Islands or requirement of any regulatory body or stock exchange in the PRC and the British Virgin Islands which would prevent the Company from extending the Rights Issue to the Overseas Shareholders in the PRC and the British Virgin Islands. Based upon such advice, the Overseas Shareholders having registered address in the PRC and the British Virgin Islands will not be excluded from the Rights Issue and shall therefore be the Qualifying Shareholders. Accordingly, the Rights Issue will be extended to such Overseas Shareholders having registered address in the PRC and the British Virgin Islands.

The Company will not offer the Rights Shares to the Non-Qualifying Shareholders.

Any Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs together with the NQS Unsold Rights Shares (collectively, the Placing Shares) will, on a best efforts basis, be placed by the Placing Agent to independent Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), at the Placing Price.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares and NQS Unsold Rights Shares to Placee(s) on a best efforts basis, and the aggregate of any premiums paid by the Placess(s) after deducting (i) the aggregate amount of the Subscription Price of the Placing Shares placed by the Placing Agent under this Agreement); and (ii) the aggregate amount of all reasonable expenses or fees incurred by the Company and the Placing Agent (the "**Net Gain**") will be paid to the No Action Shareholders.

It is proposed that if all or any of the Placing Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders on a pro-rata basis in Hong Kong dollars, provided that any individual amount of less than HK$100 to which a No Action Shareholder would otherwise be entitled shall be retained by the Company for its own benefit.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 17.41(1) of the GEM Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). Any Rights Shares created from the aggregation of fractions of the Rights Shares will lapse and will not be made available for subscription.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and applied for and paid for the Rights Shares on or before Friday, 31 July 2026 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful applications for the Rights Issue, refund cheques are expected to be posted on or before Friday, 31 July 2026 by ordinary post to the applicants at their own risk.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus, which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so that they will be received by no later than 4:00 p.m. (Hong Kong time) on Friday, 26 June 2026 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed "Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares" in the section headed "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars by cheque which must be drawn on a bank account with, or by cashier's order which must be issued by, a licensed bank in Hong Kong and made payable to "**China Information Technology Development Limited – Rights Issue Account" and crossed "Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Friday, 26 June 2026, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL, or to transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 17 June 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Applicants must pay the exact amount payable upon application for the Rights Shares, and underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to the applicant if the overpaid amount is HK$100 or above.

Completion and return of the PAL together with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the applicable laws and regulations of the relevant territories and jurisdictions, including the obtaining of any governmental or other consents, and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representation or warranty above. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

No receipt will be issued in respect of any application monies received.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Placing

The Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering them as Placing Shares to independent Placees through the Placing.

Accordingly, on 21 April 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (collectively, the "Placing Shares") to independent Placees on a best efforts basis. Pursuant to the Placing Agreement, the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure, on a best efforts basis, Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange. The Placing Agent will, on a best efforts basis, procure subscribers for all (or as many as possible) of those Placing Shares by not later than 4:00 p.m. on Thursday, 23 July 2026. Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue through the PAL(s), the Placing will not proceed. Any Placing Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

THE PLACING AGREEMENT

On 21 April 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to appoint and the Placing Agent has conditionally agreed to act as the Placing Agent for the Company to procure Placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), to subscribe for the Placing Shares at the Placing Price during the Placing Period on and subject to the terms and conditions set out in the Placing Agreement. The Placing Shares, forming part of the Rights Issue, will be allotted and issued subject to the listing approval of the Stock Exchange.

Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue, i.e. all the Rights Shares are fully subscribed by the Qualifying Shareholders or renouncee(s) or transferee(s) under the PAL(s), the Placing will not proceed.

Principal terms of the Placing Agreement are summarised as follows:

Date	:	21 April 2026 (after trading hours)
Issuer	:	the Company
Placing Agent	:	Cheong Lee Securities Limited The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.
Placing Price	:	The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy, stamp duty (if any) and Stock Exchange trading fee as may be payable). The final Placing Price shall be determined by the Placing Agent with the agreement of the Company based on the demand for and the market conditions of the Placing Shares during the process of placement.

Placing Period	:	The period from Wednesday, 8 July 2026 up to 4:00 p.m. on Thursday, 23 July 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing.
Placing Commission	:	The Company shall pay the Placing Agent a placing commission equivalent to 1% of the amount which is equal to the Placing Price multiplied by the total number of Unsubscribed Rights Shares and NQS Unsold Rights Shares which are successfully placed by the Placing Agent.
Placees	:	The Placing Shares are expected to be placed to placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
Ranking of the placed Placing Shares	:	The placed Placing Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:

(i) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (subject to customary conditions);

(ii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

None of the conditions of the Placing can be waived. The Company shall use its reasonable endeavours to procure fulfilment of the conditions precedent as set out in the Placing Agreement and for such purpose, the Company shall furnish such information, supply such documents, pay such fee, give such undertakings, and do all such acts and things as may reasonably be required in connection with the fulfilment of such conditions.

If the conditions precedent set out in the Placing Agreement have not been fulfilled on or before 5:00 p.m. on Friday, 24 July 2026, or such later date/time as may be agreed between the Company and the Placing Agent in writing, all rights, obligations and liabilities of the Parties in relation to the Placing shall cease and determine and neither of the Parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

The Placing Agent undertakes to use its best endeavours to assist the Company in procuring that the conditions of the Placing are fulfilled on or before 5:00 p.m. on Friday, 24 July 2026 (or such later date/time as may be agreed between the Company and the Placing Agent in writing), including but not limited to the delivery by the Placing Agent to the Stock Exchange and/or the relevant regulatory authorities of written confirmations of the independence of the Placees and particulars of the Placees.

For the avoidance of doubt, if all the Rights Shares are already fully taken up in the Rights Issue, the Placing will not proceed.

Termination : Notwithstanding any other provisions of the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole, or would materially prejudice the success of the Placing or the full placement of all of the Placing Shares, or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

(a) the occurrence of any event, development or change (whether or not local, national or international, or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement), including any event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions, which in the Placing Agent's reasonable opinion would affect the success of the Placing;

(b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise, which in the Placing Agent's reasonable opinion would affect the success of the Placing;

(c) any new law or regulation, or change in existing laws or regulations, or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group, which in the Placing Agent's reasonable opinion may affect the business or financial prospects of the Group and/or the success of the Placing;

(d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's reasonable opinion would affect the success of the Placing;

(e) any breach of any of the representations and warranties of the Company comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations and warranties untrue or incorrect in a material respect, or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(f) any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of such notice of termination, the Placing Agreement shall be terminated and be of no further effect, and all respective obligations of either party thereunder shall cease and determine. Neither party shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement, except for any antecedent breach of any obligation under the Placing Agreement and any liabilities in respect of the Company's warranties and the commissions and expenses provisions.

Application for listing : The Company will apply to the GEM Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

Board lot size of Rights Shares : 2,000 Shares

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent Placees on a best efforts basis. The net proceeds from the Placing will be utilised for the same purposes as described in the section headed "Reasons for and Benefits of the Rights Issue and the Use of Proceeds" in this prospectus.

Given that the Placing would provide (i) a distribution channel of the Placing Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placing Agent shall use its best endeavours and make all reasonable enquiries to ensure that the Placing Shares are placed (i) to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the GEM Listing Rules) and their respective associates (as defined under the GEM Listing Rules); (ii) such that no Placees, together with parties acting in concert with the respective Placees or any of the connected persons or associates of the respective Placees, shall hold in aggregate 30% or more of the voting rights of the Company immediately upon the completion of the Placing or otherwise trigger any MGO Obligation under the Takeovers Code immediately upon the completion of the Placing; and (iii) such that the Public Float Requirement be complied with by the Company immediately upon the completion of the Placing.

Application for listing of the Rights Shares

The Company has made an application to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 2,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Future Commission transaction levy, the Accounting and Financial Reporting Council and any other applicable fees and charges in Hong Kong.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

As stated in the annual results announcement of the Company for the year ended 31 December 2025, the Group recorded a net loss of approximately HK$100.2 million for the year ended 31 December 2025 as compared to a net loss of approximately HK$38.38 million for the year ended 31 December 2024. Besides, as at 31 December 2025, the net current assets were only approximately HK$2,949,000. Based on the unaudited management accounts of the Group for the three months ended 31 March 2026, the Group had bank and cash balances of approximately HK$11.98 million as at 31 March 2026.

As at 31 March 2026, the Group had cash and bank balances of approximately HK$11,980,000. The Group's average monthly operating cash requirement is approximately HK$3,000,000. Based on the current cash position, the Group has sufficient cash resources to sustain its operations for only approximately four months. The Company is therefore unable to service and repay its outstanding loan obligations from its existing cash resources, and the Rights Issue is necessary to raise funds for this purpose.

As it has become critical for the Company to be able to raise funds as soon as possible to meet its repayment obligations, after considering (i) the current financial position of the Group; (ii) the benefits and cost of alternative fundraising means; and (iii) the importance of the fundraising exercise to the Company to satisfy its pressing financial needs, the Directors consider that the Rights Issue will enable the Group to raise the necessary funds in a timely manner to repay outstanding indebtedness of the Group, which is in the interests of the Company and the Shareholders as a whole.

Assuming all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK$10.33 million. The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be up to approximately HK$9.73 million, which are intended to apply the entire net proceeds towards repayment of outstanding indebtedness of the Company. Prior to the full utilisation of the net proceeds of the Rights Issue, all unutilised proceeds will be deposited in licensed banks in Hong Kong.

The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK$0.17. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

Intended use	Approximate amount	Approximate % of net proceeds
Loan from an independent third party to be repaid on or before 1 January 2027.	HK$8,796,000	90.40%
Settlement of professional fees and other administrative expenses.	HK$934,000	9.60%

The loan to be repaid from the net proceeds of the Rights Issue was drawn down in August 2023 and has a maturity date of 1 January 2027. The lender is Guangzhou Dehuang Property Management Co., Ltd.*(廣州市德煌物業管理有限公司). Guangzhou Dehuang Property Management Co., Ltd.*(廣州市德煌物業管理有限公司) is wholly owned by Guangzhou Dehuang Investment Co., Ltd.*(廣州市德煌投資有限公司), which is in turn owned as to 20.25% by Mr. Zhang Rong(張荣), as to 20.25% by Wan Hung Piu(溫洪標), as to 20.25% by Yan Wai Ping(甄衛平), as to 19% by Guangzhou Deyong Technology Investment Co., Ltd.*(廣州市德永科技投資有限公司), as to 10.125% by Zhu Xiaowei(朱小蔚), and as to 10.125% by Tang Keung(鄧強). Guangzhou Deyong Technology Investment Co., Ltd.*(廣州市德永科技投資有限公司) is wholly owned by Great Achieve Management Limited(浩進管理有限公司). Great Achieve Management Limited(浩進管理有限公司) is wholly owned by Mr. Chan Siu Man(陳少敏), who is therefore the ultimate beneficial owner of Guangzhou Deyong Technology Investment Co., Ltd.*(廣州市德永科技投資有限公司). Save for Mr. Zhang Rong, all of the above shareholders are independent third parties to the Company.

Mr. Zhang Rong holds more than 10% of the issued share capital of the Company and is therefore a connected person of the Company under the GEM Listing Rules. However, since Mr. Zhang Rong holds only 20.25% of Guangzhou Dehuang Investment Co., Ltd.*(廣州市德煌投資有限公司), Guangzhou Dehuang Investment Co., Ltd.*(廣州市德煌投資有限公司) does not constitute an associate of Mr. Zhang Rong. Accordingly, the lender, Guangzhou Dehuang Property Management Co., Ltd.*(廣州市德煌物業管理有限公司), is not a connected person of the Company under the GEM Listing Rules.

Notwithstanding the above, since part of the net proceeds of the Rights Issue will be applied towards the repayment of the loan owed to Guangzhou Dehuang Property Management Co., Ltd.*(廣州市德煌物業管理有限公司), in which Mr. Zhang Rong holds an indirect interest of 20.25% through his shareholding in Guangzhou Dehuang Investment Co., Ltd.*(廣州市德煌投資有限公司), Mr. Zhang Rong has a material interest in the relevant resolution to be proposed at the EGM. Accordingly, Mr. Zhang Rong abstained from voting on such resolution at the EGM.

The professional fees and other administrative expenses of approximately HK$934,000 to be applied from the net proceeds of the Rights Issue comprise outstanding legal fees of approximately HK$800,000 and the remaining balance of approximately HK$134,000 representing outstanding valuation and internal control fees.

The Company further confirms that none of the above professional fees and other administrative expenses will be paid to any connected person (as defined under the GEM Listing Rules) of the Company. All such fees and expenses are payable to independent third parties only.

The Board has considered and determined that applying the entire net proceeds towards repayment of outstanding indebtedness is in the best interests of the Company and the Shareholders as a whole, as it will reduce the Group's debt burden, lower its finance costs and improve its gearing ratio and overall financial position.

Assuming the net proceeds of approximately HK$9.73 million are fully utilised as described above, the Group's total borrowings would decrease by approximately HK$8,796,000 (being the amount applied towards repayment of the outstanding loan) upon completion of the Rights Issue, while shareholders' equity would increase by approximately HK$9,731,000 as a result of the issue of the Rights Shares. Based on the Group's audited financial statements for the year ended 31 December 2025, the Group's gearing ratio (calculated as total borrowings divided by total equity) was approximately 0.36. Assuming full subscription of the Rights Issue and full utilisation of the net proceeds as described above, the gearing ratio is expected to improve to approximately 0.29.

Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares so as to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution of approximately 33.3% to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective shareholdings in the Company and participate in the stabilisation and recovery of the Group's financial position through the repayment of its outstanding indebtedness. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

The Board considers that the repayment of the Group's outstanding indebtedness through equity fundraising, rather than further debt financing, is prudent as it will reduce the Group's finance costs, alleviate its debt repayment pressure and improve its overall financial position and gearing ratio. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to, debt financing, placing and open offer. As at the Latest Practicable Date, the Company had approached two banks on the feasibility of obtaining bank loans and both banks has reverted that it is difficult for the Company to obtain lans from their banks given that the Company is loss making and has no assets which can be accepted as security. The Board is of the view that debt financing is not desirable as it will result in additional interest burden and higher gearing ratio of the Group, which will have a negative impact on the profitability of the Group in the future. Besides, the Company may not be able to achieve debt financing on favourable terms in a timely manner, the Directors consider that this is the case in view of the Group's loss making position for the latest financial year and the decrease in net current asset as at the latest financial year end as compared with that of the last financial year end, as these are typical financial metrics on which key terms of debt financing would depend. As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through a rights issue. Also, it would inevitably lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them an opportunity to participate in the enlarged capital base of the Company. As for open offer, while it is similar to a rights issue in that Qualifying Shareholders are offered an opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market, which would allow the Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto. The Placing arrangement, which involves the placement of the Placing Shares at the Placing Price (which shall not be less than the Subscription Price), serves to maximise the funds to be raised.

The current Rights Issue is primarily for the repayment of the Company's outstanding loan which matures on 1 January 2027. The purpose of the current Rights Issue is therefore materially different from that of the Previous Rights Issue, which was conducted primarily to replenish the general working capital of the Group for the payment of salaries, rental and building management fees, and outstanding professional fees and administrative expenses.

The Board has carefully considered the available fundraising alternatives. Regarding debt financing, the Company has previously approached at least two banks, both of which declined to provide financing due to insufficient security or collateral. Regarding underwriting, the Board considers that it would be difficult to procure underwriting on terms that are favourable to the Company and its Shareholders given the Company's current financial position.

Having regard to the foregoing, and notwithstanding the short interval between the current Rights Issue and the Previous Rights Issue, the Board is of the view that the Rights Issue is the most suitable fundraising option available to the Company and is in the best interests of the Company and its Shareholders as a whole.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the financial recovery and stabilisation of the Company through the repayment of its outstanding indebtedness, and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective shareholdings in the Company by taking up only their respective rights entitlements, acquiring additional rights entitlements or disposing of their rights entitlements in the open market, subject to availability.

In view of the above, the Board considers that raising funds by way of the Rights Issue is beneficial to the Company and the Shareholders as a whole.

The Company confirms that, as at the Latest Practicable Date, the Company had no ongoing discussions with any party in relation to any further fundraising exercise, and no agreement or arrangement in respect of further fundraising had been entered into.

Given the Company's current financial position, the Board will keep an open mind and will consider further fundraising opportunities if and when appropriate, provided that the terms of such fundraising are favourable to the Company and in the interests of the Company and its Shareholders as a whole.

In the event that the Rights Issue is undersubscribed and insufficient proceeds are raised to fully repay the loan, the Company will consider all available options at that time to address the shortfall, which may include further fundraising activities if the terms are in the interests of the Company and its Shareholders as a whole. The Company will make appropriate disclosure in accordance with the GEM Listing Rules should any definitive fundraising plan be determined.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES

Adjustments for Rights Issue as follows:

New number of Options = Existing Options x F

$$\text{New Exercise Price} = \text{Existing Exercise price} \times \frac{1}{F}$$

Where

$$F = \frac{CUM}{TEEP}$$

CUM = Closing price as shown in the Daily Quotation Sheet of the Exchange on the last day of trading before going Ex-Entitlement

$$\text{TEEP (Theoretical Ex Entitlement Price)} = \frac{CUM + [M \times R]}{1 + M}$$

M = Entitlement per existing Share

R = Subscription Price

The Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the unexercised share options under the Share Option Schemes. The Company will notify the holders of such unexercised share options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made, if any, pursuant to the terms of the Share Option Schemes and such adjustments will be certified by an independent financial adviser or auditors of the Company (as the case may be). The Company expects that such announcement will be made on or around 7 July 2026, being the same date on which the Company intends to announce the results of the Rights Issue, including the number of Placing Shares subject to Placing. As at the Latest Practicable Date, there are 6,030,771 unexercised share options granted by the Company pursuant to the Share Option Schemes, all of which are exercisable on or before the Record Date (the "**Outstanding Share Options**"). The Outstanding Share Options are exercisable into 6,030,771 Shares. Details of the Outstanding Share Options as at the Latest Practicable Date granted under the Share Option Schemes are set out below:

2012 Share Option Scheme

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
SUBSTANTIAL SHAREHOLDER						
Mr. Zhang	Substantial shareholder	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	29,626
	Sub-total:					29,626
DIRECTORS						
Mr. Wong	Executive Director ("**ED**"), chairman and chief executive officer	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
WONG Hoi Kuen	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	39,145
FORMER DIRECTOR						
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	Executive Director	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	307,860
		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	84,046
	Sub-total:					**825,952**

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
EMPLOYEES						
Batch A		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	270,497
Batch B		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	141,694
Batch C		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,434,963
Batch D		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	132,401
Batch E		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	414,474
Batch F		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
	Sub-total:					**2,788,930**
CONSULTANTS						
WEI Qi	AI consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
WEI Guokang	Data center construction consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
HUANG Jiehuan	Consultant (algorithm)	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	115,132
	Sub-total:					**661,294**
	TOTAL:					**4,305,802**

2023 Share Option Scheme

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
DIRECTORS						
Mr. Wong	Executive Director, chairman and chief executive officer	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	313,212
Hon. LI Sai Wing, *MH, JP*	Non-executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	230,303
FORMER DIRECTOR						
CHANG Ki Sum Clark *(Retired on 28 June 2024)*	Executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	315,515
	Sub-total:					**859,030**
EMPLOYEES						
Batch A		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	161,212
Batch B		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	704,727
	Sub-total:					**865,939**
	TOTAL:					**1,724,969**

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of the Prospectus:

Date of announcement	Event	Net proceeds raised (approximately)	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
6 October 2025	Rights issue on the basis of three rights shares for every eight existing shares held on the record date on a fully underwritten basis	HK$32.05 million	Approximately HK$3,600,000 for rental and building management fees; approximately HK$27,000,000 for salaries; and approximately HK$1,450,000 for settlement of professional fees and other administrative expenses.	(i) approximately HK$1,908,000 for rental and building management fees; (ii) approximately HK$12,472,000 for salaries; and (iii) approximately HK$1,450,000 for settlement of professional fees and other administrative expenses, all as intended.
19 November 2025 and 5 December 2025	Placing of 14,000,000 New Shares Under General Mandate	HK$3,881,000	(i) the repayment of maturing indebtedness; and (ii) general working capital of the Group.	Used as intended

The purpose of the current Rights Issue is materially different from that of the Previous Rights Issue. Whereas the Previous Rights Issue was conducted primarily for the payment of salaries, rental and building management fees, and outstanding professional fees and administrative expenses, including approximately HK$1,400,000 per month for the payment of salaries and approximately HK$240,000 per month for rental and building management fees, the primary purpose of the current Rights Issue is the repayment of the Company's outstanding loan obligations. The Group expects that the remaining net proceeds of the Previous Rights Issue allocated for the payment of salaries will be fully utilised in the first quarter of 2027, and those allocated for rental and building management fees will be fully utilised in December 2026. Save for approximately HK$934,000 to be applied towards the settlement of professional fees and other administrative expenses, substantially all of the net proceeds of the current Rights Issue will be applied towards loan repayment. Accordingly, the purposes of the two fundraising exercises are distinct in nature.

SHAREHOLDING STRUCTURE OF THE COMPANY

The tables below set out the shareholding structures of the Company (i) as at the date of the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Rights Shares are subscribed for by the Qualifying Shareholders; (iii) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent; and (iv) immediately after completion of the Rights Issue assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent.

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows for illustrative purposes only:

	As at the date of the Latest Practicable Date		**Immediately upon completion of the Rights Issue – Assuming all Rights Shares are subscribed for by the Qualifying Shareholders**		**Immediately upon completion of the Rights Issue – Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Placing Shares having been placed by the Placing Agent**		**Immediately upon completion of the Rights Issue – Assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of the Placing Shares are placed by the Placing Agent**	
	Number of issued Shares	*%*	*Number of issued Shares*	*%*	*Number of issued Shares*	*%*	*Number of issued Shares*	*%*
Mr. ZHANG Rong ("**Mr. Zhang**") *(Note 1)*	20,200,299	17.61	30,300,449	17.61	20,200,299	11.74	20,200,299	17.61
Mr. WONG King Shiu, Daniel ("**Mr. Wong**") *(Note 2)*	669,550	0.58	1,004,325	0.58	669,550	0.39	669,550	0.58
JStage Technology Limited ("**JStage Technology**") *(Note 3)*	11,500,000	10.02	17,250,000	10.02	11,500,000	6.68	11,500,000	10.02
Public Shareholders								
– Independent Placees	–	–	–	–	57,369,850	33.33	–	–
– Other public Shareholders	82,369,851	71.79	123,554,776	71.79	82,369,851	47.86	82,369,851	71.79
Total	114,739,700	100.00	172,109,550	100.00	172,109,550	100.00	114,739,700	100.00

Notes:

1. These 20,200,299 Shares comprise 16,981,499 Shares beneficially owned by Mr. Zhang and 3,218,800 Shares held by Corporate Advisory Limited, which is wholly owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the Securities and Futures Ordinance, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory Limited has, or deemed to have an interest.

2. Mr. Wong is an executive Director, chairman and chief executive officer of the Company.

3. JStage Technology is held by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70%, respectively. Pursuant to Part XV of the Securities and Futures Ordinance, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the Securities and Futures Ordinance.

4. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23(7) of the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the Latest Practicable Date, Mr. Zhang (and also through Corporate Advisory Limited as his controlled corporation), Mr. Wong and JStage Technology, directly and indirectly, owns 20,200,299, 669,550 and 11,500,000 Shares, representing approximately 17.61%, 0.58% and 10.02% of the issued share capital of the Company, respectively. As such, each of Mr. Zhang, Mr. Wong and JStage Technology is a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules. According to Rule 20.90(2)(a) of the GEM Listing Rules, the issue of the Rights Shares to each of Mr. Zhang, Mr. Wong and JStage Technology according to their pro-rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

As at the Latest Practicable Date, the Company has in issue 114,739,700 Shares. The maximum number of Rights Shares to be issued under the Rights Issue is 57,369,850 Rights Shares, representing approximately 50% of the issued share capital of the Company as at the Latest Practicable Date. The Previous Rights Issue, which was completed on 6 October 2025, resulted in the allotment and issue of 27,474,463 rights shares, representing approximately 37.50% of the issued share capital of the Company at the time of the Previous Rights Issue.

When aggregated with the Previous Rights Issue, the number of new Shares to be issued under both the Previous Rights Issue and the Rights Issue represents an increase of more than 50% in the number of issued Shares of the Company. Accordingly, the Rights Issue is subject to the approval of the Shareholders at a general meeting pursuant to Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at the EGM. As the Company does not have a controlling Shareholder (as defined under the GEM Listing Rules), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM. Mr. Zhang Rong has a material interest in the relevant resolution to be proposed at the EGM. Accordingly, Mr. Zhang Rong abstained from voting on such resolution at the EGM.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

At the EGM held 28 May 2026, the proposed resolutions for approving the Rights Issue, the Placing Agreement and the transactions contemplated were duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 28 May 2026.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to, amongst other things, the passing of the necessary resolution(s) by the Shareholders at the EGM. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholders or other persons dealing in the Shares and/or the Rights Shares in nil-paid form up to the date on which all the conditions to which the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 15 June 2026 to Tuesday, 23 June 2026 (both dates inclusive).

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent Placees on a best efforts basis through the Placing. Accordingly, if the Rights Issue is not fully subscribed and there remain Placing Shares which are not placed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their provisional entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares in nil-paid form. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

Yours faithfully,
For and on behalf of the Board of
China Information Technology Development Limited
Mr. Wong King Shiu, Daniel
Chairman and Chief Executive Officer

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.citd.com.hk).

- Annual report for the year ended 31 December 2025 (pages 63 to 162)
  https://www1.hkexnews.hk/listedco/listconews/gem/2026/0414/2026041400488.pdf

- Annual report for the year ended 31 December 2024 (pages 64 to 166)
  https://www1.hkexnews.hk/listedco/listconews/gem/2025/0407/2025040701865.pdf

- Annual report for the year ended 31 December 2023 (pages 65 to 142)
  https://www1.hkexnews.hk/listedco/listconews/gem/2024/0429/2024042902390.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business of 30 April 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	HK$'000
Current liabilities	
Lease liabilities – unsecured and unguaranteed	913
Other Loans – unsecured and unguaranteed (note ii)	23,541
Bank Loans – secured and guaranteed (note i)	29,793
	54,247
Non-current liabilities	
Lease liabilities – unsecured and unguaranteed	1,806
Other Loans – unsecured and unguaranteed (note ii)	5,386
Bonds – unsecured and unguaranteed (note iii)	5,198
	12,390
	66,637

Notes:

(i) The bank loans of the Group were secured by the Group's investment properties and guaranteed by China Information Technology Development Limited and an independent third party.

(ii) Other Loans of approximately HK$23,541,000 were unsecured, interest free and repayable within twelve months.

The remaining of other loans amounted to approximately HK$5,386,000 were unsecured, interest-bearing at ranging from 13.8% to 15% per annum and repayable in 2028.

(iii) The Company issued the zero coupon bonds at an aggregate principal amount of HK$100 million with interest rate of 3.73% per annum on 12 July 2023 for a term of 30 years. Such bonds were unsecured. As the market response was modest after such bonds had been issued, such bonds were under-subscribed. Such bonds with a principal amount of HK$24.75 million offered at a discount to face value of approximately 66.66% were subscribed by an independent third party. For further details, please refer to the inside information announcement of the Company dated 23 June 2023 in relation to proposed issue of bonds. The Group received approximately HK$8,252,000 from such third party in respect of the aforesaid bond subscription. The initial fair value of the bonds was approximately HK$4,426,000 as at 12 July 2023, which is amortised over 30 years. As at 30 April 2026, the fair value of the bonds was approximately HK$5,198,000 which is determined with the bond yield of 5.91%.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any outstanding debt securities, liabilities under acceptance, acceptance credit, hire purchase, mortgages or charges, bank overdrafts or loans, or other similar indebtedness, guarantees, material capital commitment or other material contingent liabilities outstanding as at the close of business on 30 April 2026.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Right Issue, the Placing and the present financial resources, including internally generated funds and existing banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus in the absence of unforeseeable circumstances.

As at the Latest Practicable Date, the Company has obtained a working capital sufficiency conformation letter from its auditor.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in provision of system integration and related support services, provision of IT infrastructure solutions and maintenance services, rental of properties and securities trading.

For the year ended 31 December 2025, the Group recorded a revenue of approximately HK$34,464,000, representing a decrease of approximately 16.9% from approximately HK$41,485,000 for the last corresponding year. The decrease in revenue is mainly due to the dispute between the Group and the tenant regarding the investment properties in the PRC and revenue from the investment properties decreased of approximately HK$5,364,000 (for further details, please refer to page III-12 of this Prospectus).

The Group's loss attributable to owners of the Company was approximately HK$99,459,000 for the calendar year of 2025. For the year ended 31 December 2025, the Group had total assets of approximately HK$252,212,000 with cash and bank balances of approximately HK$14,933,000. For the year ended 31 December 2025, the Group had total liabilities of approximately HK$81,752,000 with total borrowings amounted to approximately HK$60,906,000. The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.36.

Shadowed by the increasing geopolitical complexity and the rapid technological advancement, the business environment remains challenging. Against this backdrop, the governments of Hong Kong and Mainland China continue to demonstrate strong commitment to fostering innovation, accelerating digital transformation, and supporting sustainable growth across the information technology sector.

Building on this momentum, the Group will continue to strengthen its technological capabilities and product offerings, ensuring that our services and products remain competitive and relevant to market needs. We will actively explore the integration of AI to enhance operational efficiency, optimize customer experiences, and deliver innovative applications that connect technology with everyday life.

To support these initiatives, the Group is constantly seeking ways to enhance its operational efficiency and the profitability of its business. The Group will also proactively explore new opportunities in Hong Kong and the PRC as well as new markets like UAE to expand its customer base and market share which will boost value to its shareholders. Meanwhile, the Group shall strive to resolve the dispute in relation to the property in PRC. The Group remains dedicated to preserving a healthy liquidity position while pursuing high-potential investments that reinforce its long-term goal for sustainable business growth.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2025 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2025 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025, as extracted from the Group's audited consolidated statement of financial position as at 31 December 2025 included in the published annual report of the Company for the year ended 31 December 2025, and is adjusted for the effect of the Rights Issue described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 *HK$'000* *(Note 1)*	**Unaudited estimated net proceeds from the Rights Issue** *HK$'000* *(Note 2)*	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 immediately after completion of the Rights Issue** *HK$'000*	**Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share** *HK$* *(Note 3)*	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share immediately after completion of the Rights Issue** *HK$* *(Note 4)*
Based on 57,369,580 Rights Shares to be issued at the Subscription Price of HK$0.18 per Rights Share	161,445	9,731	171,176	1.4071	0.9946

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2025 set out in the published annual report of the Company, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company of approximately HK$181,825,000, after deducting the goodwill and other intangible assets of approximately HK$19,556,000 and HK$824,000 respectively, as at 31 December 2025.

(2) The estimated net proceeds from the Rights Issue of approximately HK$9,731,000 are based on 57,369,850 Rights Shares to be issued at the subscription price of HK$0.18 per Rights Share after deducting all necessary estimated expenses of approximately HK$596,000 which are directly attributable to the Rights Issue, pursuant to the Rights Issue, assuming that the Rights Issue has been completed on 31 December 2025.

(3) The calculation of audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share is determined based on the audited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK$161,445,000 divided by 114,739,700 Shares in issue as at 31 December 2025.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 per share immediately after the completion of the Rights Issue is arrived at based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 immediately after completion of the Rights Issue of approximately HK$171,176,000 divided by 172,109,550 Shares which comprise of 114,739,700 Shares in issue as at 31 December 2025 and 57,369,850 Rights Shares to be issued assuming that the Rights Issue has been completed on 31 December 2025.

(5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Prism Hong Kong Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Information Technology Development Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2025 and related notes as set out in Part A of Appendix II of the prospectus issued by the Company dated 11 June 2026 (the "**Prospectus**") in connection with the proposed rights issue of the Company (the "Unaudited Pro Forma Financial Information") on the basis of one rights share for every two existing shares held on the record date on a non-underwritten basis (the "**Rights Issue**"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group's financial position as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's consolidated financial statement for the year ended 31 December 2025, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 the GEM Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Rules.

Prism Hong Kong Limited
Certified Public Accountants
Dai Tin Yau
Practising certificate number: P06318

Hong Kong, 11 June 2026

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The following sets out the authorised and issued share capital of the Company (i) as at the Latest Practicable Date and (ii) immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under Rights Issue) are as follows:

(i) As at the Latest Practicable Date

Authorised:		*HK$*
12,000,000,000	Shares	1,200,000,000
Issued and full-paid:		
114,739,700	Shares in issue	11,473,970.0

(ii) Immediately following completion of the Rights Issue (assuming no change in the number of Shares in issue and full subscription under Rights Issue)

Authorised:		*HK$*
12,000,000,000	Shares	1,200,000,000
Issued and full-paid:		*HK$*
114,739,700	Shares in issue as at the Record Date	11,473,970.0
57,369,850	Rights Shares to be allotted and issued under the Rights Issue	5,736,985.0
172,109,550	Shares in issue	17,210,955.0

As at the Latest Practicable Date, save for the Outstanding Share Options granted under the Share Option Schemes with details set out below, the Company had no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares. Details of the Outstanding Share Options are set out below:

2012 Share Option Scheme:

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
SUBSTANTIAL SHAREHOLDER						
Mr. Zhang	Substantial Shareholder	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	29,626
	Sub-total:					**29,626**
DIRECTORS						
Mr. Wong	Executive Director, Chairman and Chief Executive Officer	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
WONG Hoi Kuen	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	39,145
FORMER DIRECTORS						
CHANG Ki Sum Clark (Retired on 28 June 2024)	Executive Director	1.902		N/A		307,860
		1.216	16 June 2022	N/A	13 May 2021 to 12 May 2031	84,046
CHEN Shengrong (Resigned on 17 November 2025)	Independent non-executive Director	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	–
	Sub-total:					**825,952**

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
EMPLOYEES						
Batch A		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	270,497
Batch B		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	141,694
Batch C		1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	1,434,963
Batch D		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	132,401
Batch E		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	414,474
Batch F		1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	394,901
	Sub-total:					**2,788,930**
CONSULTANTS						
WEI Qi	AI consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
WEI Guokang	Data center construction consultant	1.902	13 May 2021	N/A	13 May 2021 to 12 May 2031	273,081
HUANG Jiehuan	Consultant (Algorithm)	1.216	16 June 2022	N/A	16 June 2022 to 15 June 2032	115,132
	Sub-total:					**661,294**
	TOTAL:					**4,305,802**

2023 Share Option Scheme

Name	Title	Exercise price *(HK$)*	Date of Grant	Vesting period	Exercise Period	Number of Outstanding Share Options as at the date of this Prospectus
DIRECTORS						
Mr. Wong	Executive Director, Chairman and Chief Executive Officer	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	313,212
Mr. LI Sai Wing, MH, JP	Non-executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	230,303
FORMER DIRECTOR CHANG Ki Sum Clark *(Retired on 28 June 2024)*	Executive Director	2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	315,515
EMPLOYEES						
Batch A		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	161,212
Batch B		2.970	10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	704,727
	Sub-total:					**865,939**
	TOTAL:					**1,724,969**

Save as disclosed above, as at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option.

All the issued Shares rank pari passu with each other in all respects, including the rights as to voting, dividends and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company did not have any treasury shares.

The issued Shares are listed on the Stock Exchange. No part of the equity and debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any stock exchanges other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. Accordingly, there are no dealing and settlement arrangements for the securities of the Company between the Stock Exchange and any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and the Company's associated corporations

As at the Latest Practicable Date, 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) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to sections 324 and 347 of the SFO or the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and the underlying Shares

		Nature of Interest		
Name of Director	**Capacity**	**Registered Shareholder**	**Underlying Interest**	**Percentage of the Company's issued share capital (approximately)** *(Note a)*
Executive Director				
WONG King Shiu, Daniel	Beneficial owner	669,550	–	0.58%
		–	708,113 *(Note b)*	0.62%
Non-Executive Director				
LI Sai Wing, MH, JP	Beneficial owner	–	230,303 *(Note c)*	0.20%
Independent Non-Executive Director				
WONG Hoi Kuen	Beneficial owner	–	39,145 *(Note d)*	0.03%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this Prospectus, which was 114,739,700 Shares.

(b) Mr. Wong King Shiu, Daniel was granted a total of 3,430,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(c) Mr. Li Sai Wing, MH, JP was granted 200,000 share options (prior to completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(d) Mr. Wong Hoi Kuen was granted 340,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025)

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to sections 324 and 347 of the SFO or the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company

So far as known to the Directors, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had or were taken or deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares and the underlying Shares

Name of Shareholder	**Capacity/Nature of interest**	**Number of Shares/ underlying Shares held**	**Approximate percentage of shareholding** *(Note a)*
Mr. Zhang	Beneficial owner	16,981,499 *(Registered shareholder)*	14.80%
		29,629 *(underlying interest)* *(Note b)*	0.03%
	Through controlled corporation	3,218,800 *(Registered shareholder)* *(Note c)*	2.81%
JStage Technology Limited	Beneficial owner	11,500,000 *(Registered shareholder)* *(Note d)*	10.02%

Notes:

(a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this Prospectus, which was 114,739,700.

(b) Mr. Zhang was granted 230,000 share options (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share and completion of rights issue on the basis of three rights shares for every eight existing shares on 8 October 2025).

(c) The 3,218,800 Shares are held by Corporate Advisory Limited ("Corporate Advisory"), which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.

(d) The 11,500,000 Shares are held by JStage Technology, which is owned by Mr. Ngan Chiu Fai and Ms. Shih Mei Ling as to 30% and 70% (as at the date of this Prospectus) respectively. Pursuant to Part XV of the SFO, Mr. Ngan Chiu Fai and Ms. Shih Mei Ling are deemed to be interested in all Shares in which JStage Technology has, or is deemed to have, an interest under the SFO.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DISCLOSURE OF OTHER INTERESTS

(a) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

(b) Competing interests

The Director had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to the GEM Listing Rules were as follows:

Name of Director	Name of Company	Nature of Business	Nature of interest
So Han Meng Julian	China e-Wallet Payment Group Limited (delisted on 16 March 2026)	IT Business	Executive director

As the Board is independent to the board of the above mentioned company, the Group is capable of carrying on its business independently of and at arm's length, from the business of this company.

Save as disclosed above, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(c) Directors' interests in contracts and assets

As at the Latest Practicable Date, (1) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group; and (2) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business	Unit 3308, 33/F. Millennium City 392 Kwun Tong Road Kwun Tong, Hong Kong
Legal advisers to the Company in relation to the Rights Issue	*As to Hong Kong law:* Bird & Bird 6/F, The Annex, Central Plaza 18 Harbour Road Wanchai, Hong Kong *As to PRC law:* AllBright Law Offices (Fuzhou) 37/F, International Financial Center No.1 Wanglong 2nd Avenue Taijiang District Fuzhou, 350005 PRC *As to BVI law:* Ogier Floor 11 Central Tower 28 Queen's Road Central Central, Hong Kong
Auditor and reporting accountants	**Prism Hong Kong Limited** Certified Public Accountants Registered Public Interest Entity Auditor Units 1903-1905, 19/F 8 Observatory Road Tsim Sha Tsui Hong Kong

Principal bankers	The Hongkong and Shanghai Banking Corporation Limited China Insurance Group Building, 141 Des Voeux Road Central, Sheung Wan, Hong Kong Public Bank (Hong Kong) Limited Public Bank Centre, 120 Des Voeux Road Central, Central, Hong Kong DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Central, Hong Kong
Principal share registrar and transfer office in the Cayman Islands	Suntera (Cayman) Limited Suite 3204, Unit 2A Block 3, Building D P.O. Box 1586 Gardenia Court Camana Bay Grand Cayman KY1-1100 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorised representatives	Mr. Wong King Shiu, Daniel Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong Ms. Lam Mei Wai Michelle Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong
Company secretary	Ms. Lam Mei Wai Michelle

6. MATERIAL CONTRACTS

Save for the following, there was no material contract (not being contracts entered into in the ordinary course of business) which had been entered into by the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(i) the Placing Agreement;

(ii) the sale and purchase agreement dated 29 December 2025 entered into between Ms. Sin Ka Ka and the Company, pursuant to which the Company has agreed to sell, and Ms. Sin Ka Ka has agreed to purchase, 1 share with a par value of US$1.00 (representing 100% of the issued share capital) in Rosy Depot Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, together with the inter-company loans advanced by the Company to Rosy Depot Limited (the "**Disposal**"). For further details, please refer to the announcement of the Company dated 29 December 2025 in relation to the Disposal;

(iii) the placing agreement dated 19 November 2025 entered into between the Company and Glory Sun Securities Limited in respect of the placing, on a best efforts basis, of up to 14,000,000 new Shares. An aggregate of 14,000,000 placing shares have been successfully placed by the placing agent. The net proceeds from the placing were approximately HK$3,881,000. For further details, please refer to the announcement of the Company dated 19 November 2025;

(iv) the sale and purchase agreement dated 19 June 2025 entered into between Guangzhou Xinfeng Investment Consultancy Company Limited*(廣州信豐投資諮詢有限公司)and Guangdong Xinjingsheng Industrial Investment Co., Ltd.*(廣東新景晟產業投資有限公司)(the "**Vendor**") in relation to the disposal of all buildings erected on the piece of land known as No. 123, Lu Jing Road, Tianhe District, Guangzhou City(廣州市天河區麓景路123號)(the "**Property**") by the Vendor at the consideration of RMB150,000,000, such agreement was terminated on 30 July 2025, for details, please refer to the announcement of the Company dated 30 July 2025 in relation to the termination of major transaction in respect of the disposal of the Property;

(v) the underwriting agreement dated 13 August 2025 entered into between the Company and the RaffAello Securities (HK) Limited in relation to the underwriting arrangement of the Previous Rights Issue. A total of 27,474,463 rights shares were issued under the Previous Rights Issue, and the net proceeds were approximately HK$32.05 million; and

(vi) the subscription agreement dated 7 November 2024 entered into between the Company and A M K M INVESTMENTS L.L.C. in relation to the subscription of 12,353,000 new shares of the Company by A M K M INVESTMENTS L.L.C. under the general mandate pursuant to the subscription agreement (the "**Subscription**") at the subscription price of HK$6.31 per subscription share, the Subscription contemplated under such agreement was not proceeded, for details, please refer to the announcement of the Company dated 12 August 2025 in relation to the update on subscription of new shares under general mandate.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this Prospectus.

Name	Qualification
Prism Hong Kong Limited	Certified Public Accountants Registered Public Interest Entity Auditor

As at the Latest Practicable Date, the above expert has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been, since 31 December 2025 (being the date on which the latest published audited financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any members of the Group.

8. CLAIMS AND LITIGATION

Guangzhou Xinfeng Investment Consultancy Company Limited*(廣州信豐投資諮詢有限公司)("**Xinfeng**"), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company holds the property situated at Zhuangshi Building, No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC (the "**Property**").

The Property is currently leased by the Vendor to Guangzhou City Jiayi Seniors Care Co. Ltd.*(廣州市嘉怡頤養院有限公司)("**Guangzhou Jiayi**"), a company established under PRC laws with limited liability and an Independent Third Party, for a lease term from 5 March 2021 to 4 March 2041. Guangzhou Jiayi started to default on the lease payment since August 2024. Xinfeng has filed a lawsuit against Guangzhou Jiayi with the Guangzhou Yuexiu District People's Court*(廣州市越秀區人民法院) on 22 January 2025 to terminate the tenancy agreement and reclaim the outstanding rent of approximately RMB8.34 million and the leased premises. The date for the hearing of the lawsuit is to be confirmed and the leased premises is still occupied by Guangzhou Jiayi as at the date of this prospectus.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance to the Group and no litigation, arbitration or claim of material importance to the Group was known to the Directors to be pending or threatened against any member of the Group.

9. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors:

Mr. WONG King Shiu, Daniel ("Mr. Daniel Wong"), aged 66, has been appointed as the chairman of the Board and chief executive officer of the Company with effect from 25 November 2019. He was the authorised representative and the process agent of the Company from 12 November 2020 to 31 March 2021. He has been appointed as the authorized representative of the Company again on 28 June 2024. He has over 13 years of experience in natural resources industry and served as an executive director in a various natural resources company which is listed in Hong Kong. He also has extensive experience in the management and development of natural resources projects in China. Mr. Daniel Wong joined the Group on 16 August 2017.

Mr. CHU Joshua Allen Kiu Wah ("Mr. Joshua Chu"), aged 39, has been appointed as executive Director with effective from 28 June 2024, He is a qualified lawyer and law lecturer in Hong Kong. In addition to his legal role, Mr. Joshua Chu is currently serving as Senior Consultant with Prosynergy. He is also serving as Senior Consultant, Legal Affairs and Strategic Growth of NewGenIVF Group (Nasdaq: NIVF) from 26 December 2025. Aside from his professional roles, Mr. Joshua Chu also serves as the current Co-Chair of the Hong Kong Web3 Association, legal advisor for Women in Web3 Hong Kong and director at Corporate Counsel Hong Kong Association. Mr. Joshua Chu graduated from the University of Texas at Dallas, USA, with a Bachelor of Science degree in Business Administration and Management in May 2009 and a Master of Science degree in Healthcare Management, Business Administration and Management in May 2010. Subsequently, Mr. Joshua Chu obtained his Juris Doctor degree (Distinction) and Postgraduate Certificate in Laws from the City University of Hong Kong in October 2014 and July 2015, respectively. Mr. Joshua Chu was officially admitted as a qualified solicitor in Hong Kong since March 2018 and is a member of the Law Society of Hong Kong.

Mr. SO Han Meng Julian, aged 54, has been appointed as executive Director with effective from 1 November 2024. Mr. So obtained his degree of Bachelor of Laws from The National University of Singapore. Mr. So is qualified as a solicitor in Singapore, England and Wales and Hong Kong. He possesses ample experiences in the financial industry, specialising in banking, structured finance, securitisation and derivatives. He is currently Regulatory Consultant of Prosynergy Consulting Limited, a Hong Kong boutique consulting firm that acts as the trusted advisor of financial institutions, fintechs and other companies. He is also Group Chief Executive Officer of Invess Inc., a decentralized financial institution with a vision to build an investment bank, an asset management company and an exchange using decentralisation technologies. He is an executive director of China e-Wallet Payment Group Limited, (a company delisted on the Stock Exchange (Stock Code: 0802) on 16 March 2026) since 28 October 2025. Mr. So was the Chief Advisor to the Board of the Company from October 2023 to October 2024. He was also the Non-Executive Vice Chairman of Marvion Inc, the issued shares of which are traded over the counter (OTC) (Ticker: MVNC) from August 2021 to September 2024. He was the Group Chief Executive Officer of XBE from July 2021 to September 2024. He had also worked in various prestigious international law firms in Singapore and Hong Kong.

Non-executive Directors:

Mr. LI Sai Wing, MH, JP, aged 42, has been appointed as non-executive Director with effect from 26 October 2022. Mr. Li has obtained his bachelor degree of administrative management from Jinan University and master degree of public administration from Sun Yat-Sen University. Currently, he is the Vice Chairman of Qingyuan Overseas Association and Federation of New Territories Youth respectively, an executive committee member of Democratic Alliance for the Betterment and Progress of Hong Kong and Hong Kong Volunteers Federation. Mr. Li is a Hong Kong Committee Member of Guangzhou Panyu District CPPCC Committee. He is also the Vice Chairman of New Territories Association of Societies. He was a district council member of Shatin District from 2012 to 2019. He was a member of the Legislative Council (New Territories South East) of Hong Kong from 2021 to 2025. He was the PR Project Supervisor of A-World Consulting Limited.

Ms. LEUNG Kar Ming, MH, aged 47, has been appointed as non-executive Director with effect from 1 August 2024. She had studied for Bachelor of Business Administration (service operation management) in City University of Hong Kong. Currently, Ms. Leung is a District Council member (Kwai Tsing District) and member of the Sixth Election Committee of the Hong Kong Special Administrative Region. She is also a Hong Kong and Macau member of the 13th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference. She is also a deputy officer of Administration and Human Resources Department of Hong Kong Ming Wah Shipping Co., Ltd..

Independent Non-executive Directors:

Mr. WONG Hoi Kuen ("Mr. Edmund Wong"), aged 65, is the chairman of the audit committee ("**Audit Committee**"), the remuneration committee ("**Remuneration Committee**") and nomination committee ("**Nomination Committee**") of the Company. He is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Mr. Edmund Wong joined the Group on 16 August 2017. Mr. Edmund Wong was an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (Stock Code: 223) from 9 May 2011 to 30 September 2024. Mr. Edmund Wong was also the company secretary of China Infrastructure Investment Limited since 1 August 2023, the listing of securities of which were cancelled on the Main Board of the Stock Exchange on 15 November 2024.

Mr. CHU Wun Chiu, aged 31, has been appointed as independent non-executive Director with effect from 1 August 2024. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Chu has obtained his Bachelor degree in International Politics from Jinan University. He has been a District Council member (Sha Tin East) of Hong Kong and a Hong Kong and Macau member of Shantou City, Haojiang District of CPPCC since January 2024. He has also been a project approval group member of Environment and Conservation Fund in Hong Kong since January 2023 and a member of Young Democratic Alliance for the Betterment and Progress of Hong Kong since July 2021.

Ms. Do Do CHAN, aged 49, has been appointed as independent non-executive Director with effect from 17 November 2025. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee. She is a solicitor in Hong Kong and Barrister and Solicitor in Australia. She is also a Chartered Engineer in United Kingdom and Hong Kong. Ms. Chan graduated from the University of Hong Kong with a Bachelor of Bachelor of Engineering. She obtained the Postgraduate Certificate in Laws from University of Hong Kong and Graduate Diploma in Legal Practice in The Australian National University. She also obtained Juris Doctor in The Australian National University. She is currently the Associate Legal Director, Head of the Legal & Compliance Department at Emperor International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 163) and also serves in Environment, Social and Governance Committee for Legal & Compliance Department in Emperor Group, where she leverages her expertise as an experienced lawyer and director level professional.

Senior Management:

Ms. LAM Mei Wai Michelle, is the company secretary and one of the authorised representatives of the Company with effect from 31 March 2021. She holds a Bachelor of Arts from The University of Hong Kong and a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lam is currently the President of Oakwood Services Limited and has more than 10 years of experience in company secretarial field. She also serves as the company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of the Stock Exchange.

The business address of the Directors and the senior management is the same as the Company's principal place of business at Unit 3308, 33/F, Millennium City, 392 Kwun Tong Road, Kwun Tong, Hong Kong.

Audit Committee

As at the Latest Practicable Date, the Audit Committee comprised all the independent non-executive Directors, namely Mr. Edmund Wong, Mr. Chu Wun Chiu and Ms. Do Do Chan.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company's financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group's external auditor.

10. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

The Group generates and receives revenue from the PRC businesses in RMB, which is currently not a freely convertible currency. The PRC government imposes control on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Under the existing PRC foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

11. EXPENSES

The expenses in connection with the Rights Issue, including the placing commission, printing, registration, translation, legal, financial advisory, accounting and other professional fees and related expenses, are estimated to be approximately HK$0.93 million, subject to final subscription.

12. MISCELLANEOUS

(a) There are no contracts for the hire or hire purchase of plant to or by the Group for a period of over one year which are substantial in relation to the Group's business.

(b) As the Group carried out a major portion of its operations in the PRC and Hong Kong and substantially all of its business transactions, assets and liabilities are denominated in either Renminbi or HK$, the foreign exchange risk of the Group was considered minimal.

(c) The principal place of business in Hong Kong is Unit 3308, 33/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong.

13. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "**7. EXPERT AND CONSENT**" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. DOCUMENTS ON DISPLAY

The following documents are available on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.citd.com.hk for a period of 14 days from the date of this prospectus:

(i) the annual reports of the Company for the year ended 31 December 2023, 31 December 2024 and 31 December 2025;

(ii) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;

(iii) the material contracts referred to in the section headed "**6. Material Contracts**" of this Appendix;

(iv) the written consent referred to in the section headed "**7. Expert and Consent**" of this Appendix; and

(v) the Prospectus Documents.

16. LANGUAGE

The English text of this prospectus shall prevail over the Chinese text in case of any inconsistency.

* *For identification purpose only.*

To be valid, the whole of this Provisional Allotment Letter must be returned.
本暫定配額通知書必須整份交還，方為有效。

IMPORTANT
重要提示

Reference is made to the prospectus issued by China Information Technology Development Limited (the "**Company**") dated 11 June 2026 (the "**Prospectus**"). This Provisional Allotment Letter should be read in conjunction with the Prospectus. Terms defined in the Prospectus shall have the same meanings when used herein unless the context otherwise requires.
茲提述中國信息科技發展有限公司(「**本公司**」)於二零二六年六月十一日刊發的供股章程(「**供股章程**」)。本暫定配額通知書應與供股章程一併閱覽。除非文義另有所指，否則供股章程所界定的詞彙與本通知書所採用者具有相同涵義。

THIS PROVISIONAL ALLOTMENT LETTER ("PAL") IS VALUABLE AND TRANSFERABLE AND REQUIRES YOUR IMMEDIATE ATTENTION. THE OFFER CONTAINED IN THIS PAL EXPIRES AT 4:00 P.M. ON FRIDAY, 26 JUNE 2026 (OR, UNDER BAD WEATHER CONDITIONS, SUCH LATER TIME AND/OR DATE AS MENTIONED IN THE PARAGRAPH HEADED "EFFECT OF BAD WEATHER" IN THE ENCLOSED LETTER).
本暫定配額通知書(「暫定配額通知書」)具有價值及可轉讓，並應即時處理，本暫定配額通知書所載的要約將於二零二六年六月二十六日(星期五)下午四時正(或於惡劣天氣情況下，附函「惡劣天氣之影響」一段所述之較後時間及╱或日期)截止。

IF YOU ARE IN ANY DOUBT ABOUT ANY ASPECT OF THIS PAL OR AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, OTHER LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.
閣下如對本暫定配額通知書的任何方面或應採取的行動有任何疑問，應諮詢　閣下的股票經紀、其他持牌證券交易商或註冊證券機構、銀行經理、律師、專業會計師或其他專業顧問。

A copy of this PAL, together with a copy of the Prospectus and the other document(s) specified in the paragraph headed "General Information – 14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to the Prospectus, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the documents referred to above.
本暫定配額通知書副本連同供股章程副本及供股章程附錄三「一般資料－14.送呈香港公司註冊處處長之文件」一段內所指明的其他文件，已遵照公司(清盤及雜項條文)條例第342C條的規定送呈香港公司註冊處處長登記。香港公司註冊處處長、聯交所及香港證券及期貨事務監察委員會對上文所述任何文件的內容概不負責。

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this PAL, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this PAL.
香港交易及結算所有限公司、香港聯合交易所有限公司及香港中央結算有限公司對本暫定配額通知書的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本暫定配額通知書全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

The Rights Issue is conditional upon the fulfilment of the conditions set out under the paragraph headed "Letter from the Board – Proposed Rights Issue – Conditions of the Rights Issue" in the Prospectus. If the conditions are not fulfilled, the Rights Issue will not proceed.
供股須待供股章程所載「董事會函件－建議供股－供股之條件」一段所載條件達成後，方告作實。倘條件未獲達成，則供股將不會進行。

Shareholders should note that the Shares have been dealt in on an ex-rights basis on the Stock Exchange from Monday, 1 June 2026. Dealing in the Rights Shares in nil-paid form will take place from Monday, 15 June 2026 to Tuesday, 23 June 2026 (both dates inclusive).
股東務須注意，股份由二零二六年六月一日(星期一)起於聯交所按除權基準買賣。買賣未繳股款供股股份將於二零二六年六月十五日(星期一)至二零二六年六月二十三日(星期二)期間(包括首尾兩日)內進行。

Any Shareholders or other persons dealing or contemplating dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares or the nil-paid Rights Shares are recommended to consult their own professional advisers.
任何於直至供股之全部條件獲達成當日買賣或擬買賣股份及╱或未繳股款供股股份的股東或其他人士，將須承擔供股可能不會成為無條件或可能不會進行之風險。建議任何買賣或擬買賣股份或未繳股款供股股份之股東或其他人士諮詢彼等本身之專業顧問。

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.
待未繳股款及繳足股款供股股份獲准於聯交所上市及買賣，並符合香港結算的股份收納規定後，未繳股款及繳足股款供股股份將獲香港結算接納為合資格證券，可自未繳股款及繳足股款供股股份各自開始於聯交所買賣當日或香港結算可能釐定的其他日期起，在中央結算系統寄存、結算及交收。聯交所參與者間於任何交易日進行的交易須於其後第二個結算日在中央結算系統進行交收。中央結算系統的一切活動均須依照不時生效的香港結算一般規則及香港結算運作程序規則進行。

Dealings in the Shares and the Rights Shares in both their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests.
股份以及未繳股款及繳足股款供股股份的買賣可通過中央結算系統結算。　閣下應諮詢　閣下的持牌證券交易商或註冊證券機構、銀行經理、律師、專業會計師或其他專業顧問，以了解該等結算安排詳情以及有關安排可能如何影響　閣下的權利及權益。

In case of inconsistency between the English and Chinese versions of this PAL, the English version will prevail.
本暫定配額通知書之中英文版本如有歧異，概以英文版本為準。

This PAL and all applications pursuant to it shall be governed by and construed in accordance with the laws of Hong Kong.
本暫定配額通知書及據此提出之所有申請均須受香港法例監管並按其詮釋。

Form A
表格甲

Hong Kong Branch Share Registrar and Transfer Office:
Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處：
香港中央證券登記有限公司
香港
皇后大道東183號
合和中心17樓
1712-1716舖

中國信息科技發展有限公司
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

(Stock Code: 08178)
(股份代號：08178)

Registered Office:
註冊辦事處：
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1–1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Unit 3308, 33/F.
Millennium City 6
392 Kwun Tong Road
Kwun Tong
Hong Kong

總部及香港主要經營地點：
香港
觀塘
觀塘道392號
創紀之城六期
33樓3308室

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS AT THE SUBSCRIPTION PRICE OF HK$0.18 PER RIGHTS SHARE PAYABLE IN FULL ON ACCEPTANCE BY NO LATER THAN 4:00 P.M. ON FRIDAY, 26 JUNE 2026
按於記錄日期每持有兩股現有股份獲發一股供股股份的基準以非包銷方式按認購價每股供股股份0.18港元進行供股股款須不遲於二零二六年六月二十六日(星期五)下午四時正接納時繳足

PROVISIONAL ALLOTMENT LETTER
暫定配額通知書

11 June 2026

二零二六年六月十一日

Name(s) and address of Qualifying Shareholder(s)
合資格股東姓名／名稱及地址

Provisional Allotment Letter No.
暫定配額通知書編號

Total number of Shares registered in your name(s) on Wednesday, 10 June 2026
於二零二六年六月十日(星期三)登記於　閣下名下的股份總數

BOX A 甲欄

Number of Rights Shares provisionally allotted to you subject to payment in full on acceptance by no later than 4:00 p.m. on Friday, 26 June 2026
閣下獲暫定配發的供股股份數目，股款須不遲於二零二六年六月二十六日(星期五)下午四時正接納時繳足

BOX B 乙欄

Total subscription monies payable on acceptance in full
應繳認購股款總額，股款須於接納時繳足

BOX C 丙欄

HK$
港元

To: The Directors,
China Information Technology Development Limited
致：**中國信息科技發展有限公司**
列位董事

Note: All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "**China Information Technology Development Limited – Rights Issue Account**" and crossed "**Account Payee Only**". All cheques or banker's cashier orders will be presented for payment following receipt.

附註： 所有股款必須以港元繳付，支票須由香港持牌銀行之賬戶開出或銀行本票須由香港持牌銀行發出，所有該等支票或銀行本票須註明抬頭人為「**China Information Technology Development Limited－Rights Issue Account**」並以「**只准入抬頭人賬戶**」方式劃線開出。所有支票或銀行本票收訖後將隨即過戶。

Name of bank on which cheque/cashier's order is drawn:
支票／銀行本票的付款銀行名稱：_____

Cheque/cashier's order number:
支票／銀行本票號碼：_____

Contact telephone number:
聯絡電話號碼：_____

A SEPARATE CHEQUE OR CASHIER'S ORDER MUST ACCOMPANY EACH APPLICATION
NO RECEIPT WILL BE GIVEN FOR REMITTANCE
每份申請須隨附獨立的支票或銀行本票
本公司將不另發股款收據

IN THE EVENT OF TRANSFER OF RIGHTS TO SUBSCRIBE FOR RIGHTS SHARE(S), HONG KONG AD VALOREM STAMP DUTY IS PAYABLE ON EACH SALE AND EACH PURCHASE. A GIFT OR TRANSFER OF BENEFICIAL INTEREST OTHER THAN BY WAY OF SALE IS ALSO LIABLE TO HONG KONG AD VALOREM STAMP DUTY. EVIDENCE OF PAYMENT OF HONG KONG AD VALOREM STAMP DUTY WILL BE REQUIRED BEFORE REGISTRATION OF ANY TRANSFER OF THE RIGHTS TO SUBSCRIBE FOR THE RIGHTS SHARE(S) REPRESENTED BY THIS DOCUMENT.
如轉讓可認購供股股份的權利，每項買賣均須繳付香港從價印花稅。除以出售形式外，饋贈或轉讓實益擁有的權益亦須繳付香港從價印花稅。在登記任何轉讓認購本文件所指之供股股份之權利前，須出示已繳付香港從價印花稅的證明。

FORM OF TRANSFER AND NOMINATION
轉讓及提名表格

Form B
表格乙

(To be completed and signed only by the Qualifying Shareholder(s) who wish(es) to transfer all of his/her/its/their right(s) to subscribe for the Rights Shares comprised herein)
(僅供有意轉讓本表格所列彼／彼等認購供股股份之全部權利之合資格股東填寫及簽署)

To: The Directors,
China Information Technology Development Limited
致： **中國信息科技發展有限公司**
列位董事

Dear Sirs,
I/We hereby transfer all of my/our rights to subscribe for the Rights Shares comprised in this PAL to the person(s) accepting the same and signing the registration application form (Form C) below.
敬啟者：
本人／吾等茲將本暫定配額通知書所列本人／吾等認購供股股份的權利悉數轉讓予接受此權利並簽署下列登記申請表格(表格丙)的人士。

1. _____ 2. _____ 3. _____ 4. _____

Signature(s) of Qualifying Shareholder(s) (all joint Shareholders must sign)
合資格股東簽署(所有聯名股東均須簽署)

Date: _____ 2026

日期：二零二六年_____月_____日

Hong Kong ad valorem stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares.
轉讓認購供股股份的權利須繳付香港從價印花稅。

REGISTRATION APPLICATION FORM
登記申請表格

Form C
表格丙

(To be completed and signed only by the person(s) to whom the rights to subscribe for the Rights Shares have been transferred)
(只供承讓供股股份認購權的人士填寫及簽署)

To: The Directors,
China Information Technology Development Limited
致： **中國信息科技發展有限公司**
列位董事

Dear Sirs,
I/We request you to register the number of Rights Shares mentioned in Box B of Form A in my/our name(s). I/We agree to accept the same on the terms embodied in this PAL and the Prospectus and subject to the memorandum and articles of association of the Company.
敬啟者：
本人／吾等謹請 閣下將表格甲內乙欄所列的供股股份數目，登記於本人／吾等名下。本人／吾等同意按照本暫定配額通知書及供股章程所載條款，以及在 貴公司組織章程大綱及細則規限下，接納此等供股股份。

Existing Shareholder(s) Please mark "X" in this box 現有股東請在本欄內填上「X」號	☐

To be completed in **BLOCK** letters in **ENGLISH**. Joint applicants should give the address of the first-named applicant only.
請用**英文正楷**填寫。聯名申請人只須填報排名首位的申請人地址。
For Chinese applicant(s), please provide your name in both English and Chinese.
華裔申請人須填寫中英文姓名。

Name in English 英文姓名	Family name/Company name 姓氏／公司名稱	Other name(s) 名字	Name in Chinese 中文姓名
Name(s) of joint applicant(s) in English (if applicable) 聯名申請人英文姓名(如適用)			
Address in English (joint applicants should give the address of the first-named applicant only) 英文地址(聯名申請人僅須填寫排名首位的申請人地址)			
Occupation 職業		Telephone no. 電話號碼	
Dividend instructions 股息指示			
Name and address of bank 銀行名稱及地址		Bank account no. 銀行賬戶號碼	
		Bank account type 銀行賬戶類型	

1. _____ 2. _____ 3. _____ 4. _____

Signature(s) of applicant(s) (all joint applicants must sign)
申請人簽署(所有聯名申請人均須簽署)

Date: _____ 2026

日期：二零二六年_____月_____日

Hong Kong ad valorem stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares.
轉讓認購供股股份的權利須繳付香港從價印花稅。

TO ACCEPT THE PROVISIONAL ALLOTMENT OF THE RIGHTS SHARES AS SPECIFIED IN THIS PAL IN FULL, YOU MUST LODGE THIS PAL INTACT WITH THE REGISTRAR, COMPUTERSHARE HONG KONG INVESTOR SERVICES LIMITED, AT SHOPS 1712-1716, 17TH FLOOR, HOPEWELL CENTRE, 183 QUEEN'S ROAD EAST, WANCHAI, HONG KONG, TOGETHER WITH A REMITTANCE, BY CHEQUE OR CASHIER'S ORDER, IN HONG KONG DOLLARS FOR THE FULL AMOUNT SHOWN IN BOX C OF FORM A SO THAT THEY WILL BE RECEIVED BY THE REGISTRAR NO LATER THAN 4:00 P.M. ON FRIDAY, 26 JUNE 2026 (OR, UNDER BAD WEATHER CONDITIONS, SUCH LATER TIME AND/OR DATE AS MENTIONED IN THE PARAGRAPH HEADED "EFFECT OF BAD WEATHER" IN THE ENCLOSED LETTER). ALL REMITTANCES MUST BE MADE IN HONG KONG DOLLARS BY CHEQUE WHICH MUST BE DRAWN ON A BANK ACCOUNT WITH, OR BY CASHIER'S ORDER WHICH MUST BE ISSUED BY, A LICENSED BANK IN HONG KONG AND MADE PAYABLE TO "CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED – RIGHTS ISSUE ACCOUNT" AND CROSSED "ACCOUNT PAYEE ONLY". INSTRUCTIONS ON TRANSFER AND SPLITTING ARE ALSO SET OUT IN THE ENCLOSED LETTER. NO RECEIPT WILL BE GIVEN FOR SUCH REMITTANCE.

Each person accepting the provisional allotment specified in this PAL confirms that he/she/it has read the terms and conditions and acceptance procedures set out in the enclosed letter and in the Prospectus and agrees to be bound by them.

閣下如欲全數接納本暫定配額通知書列明的供股股份暫定配額，須將本暫定配額通知書整份連同表格甲之丙欄所示的港元全數股款(以支票或銀行本票)，不遲於二零二六年六月二十六日(星期五)下午四時正前(或於惡劣天氣情況下，附函「惡劣天氣之影響」一段所述之較後時間及／或日期)送達過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716舖)。所有股款須以港元繳付，並以香港持牌銀行戶口開出的支票或以香港持牌銀行發出的銀行本票支付，且均須註明抬頭人為「CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED－RIGHTS ISSUE ACCOUNT」，並以「只准入抬頭人賬戶」方式劃線開出。有關轉讓及分拆的指示另載於附函。本公司將不另發股款收據。

接納本暫定配額通知書所列明暫定配額的每位人士均確認其已閱讀附函及供股章程所載之條款及條件以及接納手續，並同意受其約束。

中國信息科技發展有限公司
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

11 June 2026

Dear Qualifying Shareholder(s),

INTRODUCTION

Reference is made to the prospectus of China Information Technology Development Limited dated 11 June 2026 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meanings when used herein unless the context otherwise requires. In accordance with the terms set out in the Prospectus, the Directors have provisionally allotted to you a number of Rights Shares on the basis of one (1) Rights Share for every two (2) existing Shares held and registered in your name(s) as at the Record Date (i.e. Wednesday, 10 June 2026) at a subscription price of HK$0.18 per Rights Share. Your holding of Shares as at the Record Date is set out in Box A in Form A and the number of Rights Shares provisionally allotted to you is set out in Box B in Form A.

RIGHTS SHARES

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renounces or transferees of the Nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

PROCEDURES FOR ACCEPTANCE

To take up your provisional allotment in full, you must lodge the PAL in accordance with the instructions printed thereon with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a remittance for the full amount payable on acceptance, so that they will be received by no later than 4:00 p.m. (Hong Kong time) on Friday, 26 June 2026 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed "Effect of Bad Weather" below). All remittances must be made in Hong Kong dollars by cheque which must be drawn on a bank account with, or by cashier's order which must be issued by, a licensed bank in Hong Kong and made payable to "**China Information Technology Development Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Friday, 26 June 2026 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed "Effect of Bad Weather" below), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

SPLITTING

If you wish to accept only part of your provisional allotment or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, or to transfer part or all of your rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 17 June 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after your surrender of the original PAL.

TRANSFER

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, you must complete and sign the "Form of Transfer and Nomination" (Form B) and hand this PAL to the person(s) to or through whom you are transferring your rights. The transferee(s) must then complete and sign the "Registration Application Form" (Form C) and lodge this PAL intact together with a remittance for the full amount payable on acceptance as set out in Box C in Form A with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so that they will be received by no later than 4:00 p.m. (Hong Kong time) on Friday, 26 June 2026 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed "Effect of Bad Weather" below).

It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

CHEQUES AND CASHIER'S ORDERS

All cheques and cashier's orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Without prejudice to the other rights of the Company in respect hereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, and underpaid application will be rejected. Completion and return of this PAL together with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. No receipt will be issued in respect of any PAL and/or relevant remittance received.

SHARE CERTIFICATES AND REFUND CHEQUES FOR THE RIGHTS ISSUE

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and applied for and paid for the Rights Shares on or before Friday, 31 July 2026 by ordinary post at their own risk. Each applicant, except HKSCC Nominees Limited, will receive one share certificate for all the allotted Rights Shares.

If the Rights Issue is terminated or for unsuccessful applications for the Rights Issue, refund cheques are expected to be posted on or before Friday, 31 July 2026 by ordinary post to the applicants at their own risk.

FRACTIONAL ENTITLEMENTS

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number). Any Rights Shares created from the aggregation of fractions of the Rights Shares will lapse and will not be made available for subscription.

DISTRIBUTION OF THIS PAL AND THE OTHER PROSPECTUS DOCUMENTS

This PAL shall only be despatched to Qualifying Shareholders. The Prospectus Documents have not been and will not be registered under the applicable securities legislation of any territory or jurisdiction other than Hong Kong.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of any of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof.

It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the applicable laws and regulations of the relevant territories or jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. By completing, signing and submitting this PAL, each subscriber of the Rights Shares will be deemed to have given a representation and warranty to the Company that these local registration, legal and regulatory requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representations and warranties above. If you are in any doubt as to your position, you should consult your professional advisers.

EFFECT OF BAD WEATHER

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at 4:00 p.m. on Friday, 26 June 2026 if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or Extreme Conditions, and if such circumstances are:

(a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead; or

(b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m., Friday, 26 June 2026, the dates mentioned in the expected timetable (including but not limited to the Latest Time for Termination) in the Prospectus may be affected.

GENERAL

Lodgment of this PAL with, where relevant, the "Form of Transfer and Nomination" (Form B) purporting to have been signed by the person(s) in whose favour it has been issued shall be conclusive evidence of the title of the party or parties lodging it to deal with the same and to receive split PALs and/or share certificates for the Rights Shares.

PERSONAL DATA COLLECTION – PAL

By completing, signing and submitting this PAL, you agree to disclose to the Company, the Registrar and/or their respective advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the acceptance of the provisional allotment of Rights Shares. The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "**Ordinance**") provides the holders of securities with rights to ascertain whether the Company or the Registrar holds their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Ordinance, the Company and the Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to (i) the Company, at its head office and principal place of business in Hong Kong at Unit 3308, 33/F., Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Hong Kong or as notified from time to time in accordance with applicable law, for the attention of the company secretary of the Company; or (ii) (as the case may be) the Registrar at its address set out above for the attention of Privacy Compliance Officer.

Yours faithfully,
For and on behalf of
China Information Technology Development Limited
Wong King Shiu, Daniel
Chairman and Chief Executive Officer

敬啟者:

緒言

茲提述中國信息科技發展有限公司日期為二零二六年六月十一日之供股章程(「**供股章程**」)。除文義另有所指外,供股章程所界定之詞彙於本通知書內具有相同涵義。根據供股章程所載之條款,董事已按每股供股股份0.18港元之認購價向 閣下暫定配發若干數目之供股股份,基準為於記錄日期(即二零二六年六月十日(星期三))每持有兩(2)股以 閣下名義登記之現有股份獲配一(1)股供股股份。 閣下於記錄日期持有之股份數目載於表格甲之甲欄,而 閣下獲暫定配發之供股股份數目載於表格甲之乙欄。

供股股份

供股將按非包銷基準進行,不受暫定配發供股股份之接納程度所影響。倘供股未獲悉數認購,則合資格股東或暫定配額通知書項下未繳股款供股權的棄權人或承讓人未認購的供股股份數目(即不獲認購供股股份),將透過配售事項按盡力基準配售予獨立承配人。本公司概不會發行未配售之不獲認購供股股份,而供股規模亦將相應縮減。供股並無任何有關最低認購水平的法定要求。供股不設最低集資金額。

供股股份一經配發、發行及繳足股款後,將在各方面與當時已發行股份享有同等地位。繳足股款供股股份之持有人將有權收取於繳足股款供股股份配發及發行日期或之後宣派、作出或派付之全部日後股息及分派。

待未繳股款及繳足股款供股股份獲准於聯交所上市及買賣,並符合香港結算之股份收納規定後,未繳股款及繳足股款供股股份將獲香港結算接納為合資格證券,可自未繳股款及繳足股款供股股份各自開始於聯交所買賣當日或由香港結算可能釐定之其他日期起,在中央結算系統內寄存、結算及交收。聯交所參與者間在任何交易日之交易須於其後第二個結算日在中央結算系統進行交收。中央結算系統之一切活動均須依照不時生效之香港結算一般規則及香港結算運作程序規則進行。

接納手續

閣下如欲悉數接納暫定配額,須不遲於二零二六年六月二十六日(星期五)下午四時正(香港時間)前(或於惡劣天氣情況下,下文「惡劣天氣之影響」一段所述之較後時間及/或日期),按本通知書所印備之指示將本暫定配額通知書連同接納時應繳付之全部股款,送交過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716舖)。所有股款須以港元繳付,並以香港持牌銀行戶口開出的支票或以香港持牌銀行發出的銀行本票支付,並須註明抬頭人為「**China Information Technology Development Limited－Rights Issue Account**」,並以「**只准入抬頭人賬戶**」方式劃線開出。

敬請注意,除非不遲於二零二六年六月二十六日(星期五)下午四時正(香港時間)前(或於惡劣天氣情況下,下文「惡劣天氣之影響」一段所述之較後時間及/或日期)接獲原承配人或任何有效承讓暫定配額之人士向過戶登記處交回已填妥之暫定配額通知書連同適當股款,否則本通知書下之暫定配額及一切有關權利及資格將視為已遭拒絕而將予以註銷。即使該暫定配額通知書並未根據有關指示填妥,本公司可全權酌情視一份暫定配額通知書為有效,並對提交或被代為提交通知書之人士具有約束力。本公司可能會要求相關申請人在稍後階段填寫該未填妥之暫定配額通知書。

分拆

閣下如僅欲接納部分暫定配額或轉讓　閣下認購根據暫定配額通知書獲暫定配發之供股股份之部分權利，或將　閣下之部份或全部權利轉讓予超過一名人士，則須不遲於二零二六年六月十七日(星期三)下午四時三十分前將原有暫定配額通知書整份交回及呈交過戶登記處，以便過戶登記處註銷原有暫定配額通知書，並按所需數額發出新暫定配額通知書。新暫定配額通知書可於　閣下交回原有暫定配額通知書後第二個營業日上午九時正後在過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716舖)領取。

轉讓

閣下如欲轉讓　閣下認購根據本通知書獲暫定配發之供股股份之全部權利，必須填妥及簽署「轉讓及提名表格」(表格乙)，並將本暫定配額通知書送交承讓權利之人士或經手轉讓權利之人士。其後，承讓人須填妥及簽署「登記申請表格」(表格丙)，並須不遲於二零二六年六月二十六日(星期五)下午四時正(香港時間)前(或於惡劣天氣情況下，下文「惡劣天氣之影響」一段所述之較後時間及／或日期)將本暫定配額通知書整份連同表格甲之丙欄所載接納時應繳付之全部股款送交過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716舖)。

務請注意，　閣下轉讓有關供股股份之認購權予承讓人，以及承讓人接納有關權利須繳付香港從價印花稅。

支票及銀行本票

所有支票及銀行本票將於收到後兑現，而有關股款所賺取之全部利息(如有)將撥歸本公司所有。在不影響本公司與此有關之其他權利之情況下，本公司保留權利拒絕受理任何隨附支票或銀行本票於首次過戶時未能兑現的有關暫定配額通知書，而在此情況下，有關暫定配額及一切有關權利及資格將被視作已遭拒絕而將予以註銷。　閣下須於申請認購供股股份時支付應付準確金額，支付金額不足的申請會遭拒絕受理。填妥本暫定配額通知書並連同繳付供股股份之股款支票或銀行本票一併交回(不論由合資格股東或任何指定承讓人交回)，即表示申請人保證支票或銀行本票可於首次過戶時兑現。概不會就所接獲之任何暫定配額通知書及／或相關股款發出收據。

供股之股票及退款支票

待供股之條件達成後，所有繳足股款供股股份之股票預期於二零二六年七月三十一日(星期五)或之前以普通郵遞方式寄發予已接納及申請供股股份並已繳付股款之人士，郵誤風險概由彼等自行承擔。每名申請人(不包括香港中央結算(代理人)有限公司)將就所有配發的供股股份獲發一張股票。

倘供股終止或供股申請未獲接納，退款支票預期將於二零二六年七月三十一日(星期五)或之前以普通郵遞方式寄發予申請人，郵誤風險概由彼等自行承擔。

零碎配額

本公司將不會暫定配發及發行任何零碎供股股份，亦不會接納有關任何零碎供股股份之申請，而合資格股東之配額將向下約整至最接近之整數。本公司將彙集所有零碎供股股份(下調至最接近整數)。彙集零碎供股股份所產生的任何供股股份將告失效且不會供認購之用。

派發本暫定配額通知書及其他供股章程文件

本暫定配額通知書只可向合資格股東寄發。供股章程文件並無且將不會根據香港以外任何地區或司法權區之適用證券法例進行登記。

本公司並無採取任何行動，以獲准在香港以外任何地區或司法權區提呈發售供股股份或派發供股章程文件。因此，任何人士如在香港以外任何地區或司法權區接獲任何供股章程文件副本，除非在該地區或司法權區可合法提呈有關要約或邀請而毋須遵守其任何登記或其他法律或監管規定，否則不可視作提呈申請供股股份之要約或邀請。

任何身處香港以外地區之人士如有意申請供股股份，有責任於認購暫定配發供股股份前，自行全面遵守有關地區或司法權區之適用法律及法規，包括取得任何政府或其他方面同意及繳付任何有關地區或司法權區就此而規定的稅項及徵費。填妥、簽署及交回本暫定配額通知書後，供股股份之每名認購人將被視為已向本公司作出聲明及保證，彼等已經及將會全面遵守該等地方登記、法律及監管規定。為免生疑問，香港結算及香港中央結算(代理人)有限公司概不會作出上述任何聲明及保證，或受其所限。倘　閣下對本身之情況有任何疑問，應諮詢　閣下之專業顧問。

惡劣天氣之影響

如懸掛八號或以上熱帶氣旋警告信號或「黑色」暴雨警告信號或極端情況，接納供股股份及繳付股款及繳付股款之最後時限將不會於二零二六年六月二十六日(星期五)下午四時正生效，並按以下情況處理：

(a) 如相關警告訊號於最後接納時限所在日期中午十二時正前任何本地時間在香港生效，且於中午十二時正後不再生效，則最後接納時限將不會於最後接納時限所在日期下午四時正生效，而將押後至同日下午五時正；或

(b) 如相關警告訊號於最後接納時限所在日期中午十二時正至下午四時正任何本地時間在香港生效，則最後接納時限將不會於最後接納時限所在日期生效，而將重訂為有關警告於上午九時正至下午四時正任何時間並無生效之下一個營業日下午四時正。

倘接納供股股份及繳付股款之最後時限並無於二零二六年六月二十六日(星期五)下午四時正或之前生效，則供股章程預期時間表所述日期(包括但不限於最後終止時限)或會受到影響。

一般事項

遞交本暫定配額通知書及(在有關情況下)擬由獲發人士簽署之「轉讓及提名表格」(表格乙)，將為最終擁有權證明，顯示遞交有關文件之人士有權處理有關文件並接收供股股份分拆暫定配額通知書及／或股票。

收集個人資料－暫定配額通知書

填妥、簽署及交回本暫定配額通知書，即表示　閣下同意向本公司、過戶登記處及／或其各自之顧問及代理披露個人資料及其所需有關　閣下或　閣下為其利益而接納暫定配發供股股份之人士之任何資料。香港法例第486章個人資料(私隱)條例(「**條例**」)賦予證券持有人權利，可確定本公司或過戶登記處是否持有其個人資料、索取有關資料之副本及更正任何不準確資料。根據條例，本公司及過戶登記處有權就處理任何查閱資料要求而收取合理費用。有關查閱資料或更正資料或查閱有關政策及慣例以及持有資料種類訊息之所有要求，應寄往(i)本公司之總部及香港主要營業地點(地址為香港觀塘觀塘道392號創紀之城六期33樓3308室)或根據適用法例不時通知之地址，並以本公司之公司秘書為收件人；或(ii)(視情況而定)過戶登記處(地址見上文)，並以私隱條例事務主任為收件人。

此　致

列位合資格股東　　台照

代表
中國信息科技發展有限公司
主席兼行政總裁
黃景兆
謹啟

二零二六年六月十一日

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