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VONGROUP LIMITED

黃河實業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 318)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

The board of directors (the “Board” or “Directors”) of Vongroup Limited (the “Company”) wishes to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 October 2024, together with the comparative figures for the corresponding period of the previous year, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2024

	Note	Six months ended 31 October (unaudited)	
		2024 HK\$'000	2023 HK\$'000
Turnover	4	103,483	103,358
Other revenue and net gains	4	173	223
Staff costs		(8,438)	(9,589)
Depreciation and amortisation expenses		(3,285)	(3,285)
Administrative and operating expenses		(73,091)	(71,719)
Change in fair value of investment properties		(2,864)	(2,335)
Profit from operations	5	15,978	16,653
Finance costs	6	(1,515)	(1,190)
Profit before taxation		14,463	15,463
Income tax credit	7	507	506
Profit for the period		14,970	15,969
Other comprehensive expense			
Exchange differences arising on translation of foreign operations		85	257
Total comprehensive income for the period		15,055	16,226
Profit for the period attributable to:			
Owners of the Company		14,256	12,517
Non-controlling interests		714	3,452
		14,970	15,969
Total comprehensive income for the period attributable to:			
Owners of the Company		14,341	12,774
Non-controlling interests		714	3,452
		15,055	16,226
Earnings per share			
Basic and diluted	9	HK\$0.053	HK\$0.051

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

	<i>Note</i>	31 October 2024 <i>HK\$'000</i> (unaudited)	30 April 2024 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		9,755	9,970
Investment properties		225,466	228,330
Goodwill		39,331	39,331
Intangible assets		72,797	75,867
Financial assets at fair value through profit or loss		1,592	1,592
		<u>348,941</u>	<u>355,090</u>
Current assets			
Financial assets at fair value through profit and loss		5,408	6,482
Forfeited collaterals held for sale		285	282
Accounts receivable	10	139,104	125,992
Loan receivables		34,573	34,603
Deposits, prepayments and other receivables		49,822	45,275
Bank balances and cash		54,839	53,104
		<u>284,031</u>	<u>265,738</u>
Current liabilities			
Accruals, deposits received and other payables		8,404	6,735
Interest-bearing borrowings		49,864	53,012
Tax payables		5,809	6,734
		<u>64,077</u>	<u>66,481</u>
Net current assets		<u>219,954</u>	<u>199,257</u>
Total assets less current liabilities		<u>568,895</u>	<u>554,347</u>
Non-current liabilities			
Deferred tax liabilities		7,328	7,835
NET ASSETS		<u><u>561,567</u></u>	<u><u>546,512</u></u>
Capital and reserves			
Share capital	11	10,833	10,833
Reserves		499,597	485,256
		<u>510,430</u>	<u>496,089</u>
Non-controlling interests		51,137	50,423
TOTAL EQUITY		<u><u>561,567</u></u>	<u><u>546,512</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 October 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 April 2024, except that the Group has adopted, for the first time for the current period’s unaudited condensed consolidated interim financial statements, the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “New HKFRSs”) issued by the HKICPA that are effective for the accounting period commencing on 1 May 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The directors of the Company anticipate that the application of amendments to HKFRSs in the current interim period 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 this unaudited condensed consolidated interim financial information.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group’s executive directors, being the Group’s chief operating decision maker (“CODM”) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

For the six months ended 31 October 2024, the Group has determined that there are three reportable operating segments which are set out below. The comparative figures have been restated accordingly.

1. Technology: Technology and related activities
2. Property: Real property and related activities
3. Financial: Consumer finance, securities trading, other financial/business services and related activities

(a) Segment revenue and results

For the purpose of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the revenue and results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales or financing activities generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment revenue and results

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

Six months ended 31 October 2024 (unaudited)

	Technology HK\$'000	Property HK\$'000	Financial HK\$'000	Consolidated HK\$'000
Segment revenue	<u>100,379</u>	<u>2,117</u>	<u>987</u>	<u>103,483</u>
Segment results	<u>21,979</u>	<u>(1,782)</u>	<u>406</u>	<u>20,603</u>
Unallocated other revenue and other gains				173
Unallocated corporate expenses				(4,798)
Finance costs				(1,515)
Profit before income tax				14,463
Income tax credit				507
Profit for the period				<u>14,970</u>

Six months ended 31 October 2023 (unaudited)

	Technology HK\$'000	Property HK\$'000	Financial HK\$'000	Consolidated HK\$'000
Segment revenue	<u>100,649</u>	<u>2,530</u>	<u>179</u>	<u>103,358</u>
Segment results	<u>24,954</u>	<u>(898)</u>	<u>(10)</u>	<u>24,046</u>
Unallocated other revenue and other gains				455
Unallocated corporate expenses				(7,848)
Finance costs				(1,190)
Profit before income tax				15,463
Income tax credit				506
Profit for the period				<u>15,969</u>

(b) Geographical segments

The following table provides an analysis of the Group's segment revenue by geographical market.

	Six months ended 31 October (unaudited)	
	2024 HK\$'000	2023 HK\$'000
Hong Kong and Mainland China	88,934	87,713
Others	<u>14,549</u>	<u>15,645</u>
Total	<u>103,483</u>	<u>103,358</u>

(c) Information about major customers

The Group has a wide customer base and no single customer contributed more than 10% of the Group's revenue for the six months ended 31 October 2024 (2023: 10%).

4. TURNOVER, OTHER REVENUE AND NET GAINS

The Group's turnover, other revenue and other net gains for the period arose from the following activities:

	Six months ended 31 October (unaudited)	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15		
Provision of technology and related activities	<u>100,379</u>	<u>100,649</u>
Revenue from other sources		
Provision of property leasing services		
– Gross rental income from investment properties	<u>2,117</u>	<u>2,530</u>
Provision of financial related activities		
– Interest income	881	587
– Dividend income from listed equity securities	184	107
– Net loss on listed equity securities at FVPL (<i>Note</i>)	<u>(78)</u>	<u>(515)</u>
	<u>987</u>	<u>179</u>
	<u>103,483</u>	<u>103,358</u>

Note:

	Six months ended 31 October (unaudited)	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss on listed equity securities at FVPL		
– Change in fair value	(424)	(515)
– Realised gain	<u>346</u>	<u>–</u>
	<u>(78)</u>	<u>(515)</u>

	Six months ended 31 October (unaudited)	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other revenue and net gains		
Bank interest income	28	27
Management income	120	170
Others	<u>25</u>	<u>26</u>
	<u>173</u>	<u>223</u>

5. PROFIT FROM OPERATIONS

The profit from operations is arrived at after charging/(crediting):

	Six months ended 31 October (unaudited)	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Staff costs	8,438	9,589
Gross rental income from investment properties less direct outgoings of approximately HK\$408,000 (2023: approximately HK\$365,000)	<u>(1,709)</u>	<u>(2,165)</u>

6. FINANCE COSTS

	Six months ended 31 2024 <i>HK\$'000</i>	October (unaudited) 2023 <i>HK\$'000</i>
Interest on bank borrowings	<u>1,515</u>	<u>1,190</u>

7. INCOME TAX CREDIT

	Six months ended 31 2024 <i>HK\$'000</i>	October (unaudited) 2023 <i>HK\$'000</i>
Profits tax: Write back of deferred tax	<u>507</u>	<u>506</u>
Income tax credit for the period	<u>507</u>	<u>506</u>

No provision for profits tax in the Cayman Islands, British Virgin Islands, PRC and Hong Kong has been made as the Group has no income assessable for tax for the period in these jurisdictions (2023: nil).

8. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2024 (2023: nil).

9. EARNINGS PER SHARE

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

	Six months ended 31 2024 <i>HK\$'000</i> (unaudited)	October (unaudited) 2023 <i>HK\$'000</i> (unaudited)
Earnings for the period		
Earnings for the purpose of basic and diluted earnings per share	<u>14,256</u>	<u>12,517</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>270,827,299</u>	<u>247,574,833</u>

10. ACCOUNTS RECEIVABLE

	31 October 2024 <i>HK\$'000</i> (unaudited)	30 April 2024 <i>HK\$'000</i> (audited)
Accounts receivable	150,084	136,972
Less: Loss allowance	<u>(10,980)</u>	<u>(10,980)</u>
	<u>139,104</u>	<u>125,992</u>

The following aged analysis of accounts receivable is based on invoice date:

	31 October 2024 <i>HK\$'000</i> (unaudited)	30 April 2024 <i>HK\$'000</i> (audited)
Within 30 days	15,840	10,749
31 to 60 days	17,280	11,577
61 to 90 days	17,348	12,724
91 to 180 days	41,618	43,926
Over 180 days	47,018	47,016
	139,104	125,992

The Group generally allows an average credit period range from 30 to 180 days to its customers. Accounts receivable that were neither past due nor impaired related to customers for whom there was no default. Accounts receivable that were past due but not impaired related to customers that have good creditworthiness. Based on past experience, management considered no impairment is necessary as there has not been a significant change in credit quality of these balances, which are still considered fully recoverable. The Group does not hold any collateral over these balances.

The Group maintains a defined credit policy including stringent credit evaluation. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk.

11. SHARE CAPITAL

	31 October 2024 (unaudited)		30 April 2024 (audited)	
	<i>No. of shares</i>	<i>HK\$'000</i>	<i>No. of shares</i>	<i>HK\$'000</i>
Authorised:				
<i>Ordinary shares of HK\$0.04 each</i>				
At the beginning and the end of the reporting period	5,000,000,000	200,000	5,000,000,000	200,000
Issued and fully paid:				
At the beginning	270,827,299	10,833	247,574,833	9,903
Issue of new shares (note)	–	–	23,252,466	930
At the end of the reporting period	270,827,299	10,833	270,827,299	10,833

Note:

On 1 December 2023, the Company allotted and issued 23,252,466 shares at an issue price of HK\$0.242 per share.

12. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been reviewed with no disagreement by the Audit Committee of the Company and were approved and authorised for issue by the Board on 31 December 2024.

CEO'S STATEMENT

Dear Shareholders,

I am delighted to share that our Group has exemplified resilience and adaptability during the challenging and volatile global, regional, and Hong Kong environments throughout the six months ending 31 October 2024. Despite these obstacles, we have not only maintained our strategic direction but have also achieved significant milestones that reinforce the robustness of our business model and the unwavering dedication of our team.

Our Group's performance highlights our commitment to providing innovative and secure technology solutions that cater to diverse client verticals and support high-traffic mega events. We are proud to report another stable profitable period across our technology sectors. This success is a direct outcome of our focused strategy to cultivate strong relationships with existing clients while actively expanding our customer base. By proactively anticipating and addressing our clients' evolving needs, we have solidified our position as a trusted partner in their growth and digital transformation journeys.

In a landscape where many technology firms struggle to articulate value, our emphasis on secure, bespoke solutions has established us as a reliable ally. Our interdisciplinary expertise in both technology and business has propelled our growth across various industries. Moving forward, we remain committed to leveraging these strengths to seize new opportunities, drive innovation, and create enduring value for all stakeholders.

Financial Insights and Strategic Direction

I am pleased to report that our Group has sustained its path of steady growth and profitability, even in the face of market challenges. Our financial results not only demonstrate our competitive resilience but also underscore our strategic emphasis on expanding our technology-related ventures.

Capitalising on Cross-Sector Expertise for Sustainable Success

Our achievements in the technology sector are firmly anchored in our commitment to building strong client relationships. Our focus extends beyond merely acquiring new clients; we prioritise nurturing long-lasting partnerships and developing an in-depth understanding of their evolving needs. Our technology-for-business model, grounded in trust and collaboration, continues to receive enthusiastic support.

Furthermore, our interdisciplinary expertise uniquely positions us to tackle challenges and seize opportunities within the market. We have built our success on a foundation of recognised industry expertise, a stellar reputation for quality, and a comprehensive portfolio of solutions that make us an attractive partner for many clients. By continuously adapting to market trends and responding to client feedback, we aim to enhance our offerings and drive sustainable growth.

EventTech – FBE: Hong Kong's Leading Innovator in Technology for International Mega Events

A prime example of our technological excellence can be found in our FringeBacker Events (FBE) division. This team is dedicated to the development, operation, and management of proprietary cloud platforms, specifically designed for mega international events that often involve hundreds of thousands of participants and extensive digital interactions. The projects we undertake are mission-critical and highly visible, necessitating a provider with a proven track record in managing large-scale, high-traffic technologies.

Our FBE division excels in sophisticated project management, implementing stringent security measures, upholding strict data privacy protocols, and offering innovative fintech payment solutions. We pride ourselves on delivering unparalleled reputational assurance, which has firmly established us as a preferred technology partner for some of the most prominent international events held in Hong Kong.

Notable Recent Collaborations

Several high-profile engagements highlight our capabilities:

- **Standard Chartered Hong Kong Marathon:** As one of the largest marathons in the world and a cornerstone of Hong Kong's international sporting calendar, we have been appointed the exclusive registration and payment management platform for this esteemed event since 2019.
- **2024 Bank of China (Hong Kong) Hong Kong-Zhuhai-Macau Bridge (HK Section) Half Marathon:** Now in its second year, this prestigious running event, held on the Hong Kong side of the world's longest bridge-and-tunnel sea crossing, has been designated a Gold Label Road Race by the global governing body, World Athletics.
- **Hong Kong International Airport – Standard Chartered Hong Kong Marathon: Three-Runway System 10km International Race:** This event marks a significant milestone in aviation history as the first running race held at a fully operational airport in Hong Kong. By offering participants the extraordinary experience of running on an active runway with aircraft taking off and landing nearby, it attracted elite athletes from around the globe.

These collaborations not only underscore our expertise in delivering comprehensive technological solutions but also highlight our commitment to ensuring total data privacy and security for events of substantial magnitude and global significance.

Driving Digital Innovation for Future Events

As we continuously expand our portfolio, our focus remains on embracing digital innovation and enhancing the participant experience at mega events. By leveraging cutting-edge technology and data-driven insights, we aim to further elevate our service offerings, ensuring that we remain at the forefront of the event technology landscape. Our commitment to excellence positions us uniquely to contribute to the success of future international events.

Building Resilient Digital Foundations for Long-Term Growth

In an era characterised by rapidly evolving digital technologies, Vongroup has strategically positioned itself at the forefront of collaboration with enterprises. We are dedicated to guiding organisations in their implementation of digital initiatives that lay a robust foundation for growth, even in the face of uncertain economic conditions and increasingly challenging market landscapes. Our strategic focus on harnessing data and artificial intelligence (AI) is not merely about technology for its own sake; it is about redefining the experiences of clients, employees, and the public, signifying a pivotal shift in operational dynamics.

As businesses adapt to an environment marked by volatility and change, our emphasis on digital transformation aligns perfectly with global trends observed in recent technology outlook reports. Deloitte's Technology Industry Outlook (2024) reveals that companies are investing significantly in digital initiatives to enhance resilience and agility. This investment is particularly evident in the adoption of cloud computing, which serves as a cornerstone for digital transformation efforts. By leveraging cloud technologies, organisations can optimise processes, streamline operations, and ensure scalability in response to fluctuating market demands.

Moreover, McKinsey & Company's Technology Trends Outlook (2024) highlights that the integration of AI and machine learning is accelerating across industries. These advanced technologies empower businesses to derive actionable insights from vast amounts of data, enhancing decision-making processes and improving customer experiences. By adopting AI-driven solutions, companies can anticipate client needs, personalise interactions, and ultimately drive customer satisfaction.

At Vongroup, our commitment extends beyond merely providing technology; we strive to empower our clients with the tools and strategies necessary to achieve sustainable growth. We work closely with organisations to identify their unique challenges and opportunities, tailoring our solutions to meet specific needs. By fostering partnerships that prioritise innovation and adaptability, we enable our clients to navigate the complexities of the digital landscape confidently.

In summary, as we look to the future, Vongroup remains committed to supporting our clients in building their digital foundations. By leveraging cutting-edge technologies and aligning with global trends, we are dedicated to helping enterprises not only survive but thrive in an increasingly competitive marketplace. Our vision is to enable our clients to embrace the future with confidence, transforming challenges into opportunities for growth and success.

Mobile ERMTech and EdTech Systems: Transforming Business Operations and Talent Management

This digital evolution is reshaping traditional work paradigms, effectively erasing geographical boundaries and empowering our clients to access a global talent pool. In response to this shift, many organisations are redefining their talent strategies and leveraging advanced tools and platforms driven by collaboration software, artificial intelligence, and cloud technologies.

To support our clients in navigating this new landscape, our Group has prioritised facilitating their business needs through two key offerings:

Mobile ERMTech – TeamTech SaaS Mobile Enterprise Resource Platforms

Our TeamTech division is at the forefront of delivering innovative solutions through mobile enterprise resource management technologies. These SaaS platforms empower clients to effectively manage and operate their businesses in this new digital era, where remote work is now a fundamental component of daily operations. Our platforms equip clients with the necessary tools to maintain productivity, foster collaboration, and ensure operational efficiency, even in a distributed work environment. By streamlining processes and enhancing communication, we enable clients to adapt swiftly to changing demands.

EdTech – Greenie EdTech Division

In recognition of the growing importance of continuous learning and development, our Greenie EdTech division focuses on providing remote learning and training solutions, corporate and sales training programmes, and a suite of cutting-edge educational technologies. This initiative supports our clients in upskilling their workforce, enabling them to remain agile in an evolving digital marketplace. By offering accessible and flexible learning solutions, we address the skills gap that often emerges amid rapid technological advancements.

Our approach is not merely about helping clients adapt to the new work paradigm; we empower them to thrive in it. Our platforms facilitate near-seamless communication, efficient project management, and effective knowledge transfer among dispersed teams. This foundation allows clients to fully leverage their global talent pool, generating further value and enhancing organisational effectiveness. Moreover, our EdTech solutions play a critical role in positioning clients to meet the challenges of an increasingly digital business world. By creating a workforce that is adaptable and skilled, we help clients prepare for the future, ensuring they are equipped to succeed in a landscape defined by continuous change.

As we look ahead, our commitment to innovation and the expansion of our digital offerings remains unwavering. We aim to stay ahead of emerging trends, actively contributing to the digital DNA of entire industries through our efforts. By continuously refining our solutions and exploring new technologies, we strive to empower our clients in their digital transformation journeys, ultimately enabling them to achieve sustained growth and success.

Future Perspectives: Driving Business Growth Amidst Global Dynamics

The year has been marked by a complex interplay of global forces that continuously shape our economies and business environments. Economic uncertainty has been exacerbated by persistent inflation, fluctuating interest rates, and sluggish growth in key markets. Additionally, geopolitical tensions and ongoing supply chain disruptions have added to the intricacies of the business landscape, while rapid technological advancements and escalating cybersecurity threats introduce further challenges.

Geopolitical disruptions have compelled companies to reassess their supply chain strategies, leading many to prioritise sustainability and operational efficiency. In light of these challenges, businesses are actively reevaluating their strategies to enhance resilience and adaptability. The emphasis on digital transformation and sustainability is intensifying, as organisations invest heavily in advanced technologies and sustainable practices. This evolving landscape has positioned technology as a pivotal enabler of operational efficiency, security, and long-term growth, fundamentally transforming IT from a mere support function into a strategic asset essential for navigating today's multifaceted economic environment.

This burgeoning demand for investment in technology and innovation indicates promising growth prospects for Vongroup and the broader IT sector. The global digital shift is compelling organisations to embrace more sustainable and technologically advanced practices, underscoring the critical nature of capital investments in technology. This dual trend elevates the significance of these investments for our clients, allowing them to transform IT from a support function into a vital enabler of survival, sustainability, and growth within the new digital ecosystem. Our position at the intersection of technology provision and strategic consulting uniquely positions us to guide our clients through this period of economic uncertainty. We anticipate increased demand for various essential solutions, including:

- **Digital Productivity Tools:** Tailored solutions designed for remote and hybrid work environments.
- **Cybersecurity:** Enhanced measures for protecting digital assets and sensitive information.
- **Data Analytics and AI:** Advanced tools to facilitate improved decision-making and operational efficiency.
- **Cloud Infrastructure:** Scalable solutions that support expanding business operations.
- **Sustainable Technology Solutions:** Innovations aimed at addressing environmental challenges.

As we look forward, we recognise the ongoing uncertainties within the global economic landscape. However, we remain optimistic that our diverse portfolio of services, our agility in responding to market changes, and our deep understanding of the evolving technological environment empower us to capitalise on new business opportunities. We are committed to enhancing our capabilities, driving innovation, and maintaining our role as a trusted partner for our clients as they navigate this complex, technology-driven business environment.

Seizing Opportunities in a Challenging Landscape

While challenges persist, we believe that opportunities abound for those companies capable of effectively developing and deploying technology to meet their business needs. As we approach the coming year, we are ready to support our clients in their journey toward digital excellence and sustainable growth.

Commitment to Sustainable Innovations and Investments

At Vongroup, we are steadfast in our commitment to pioneering sustainable innovations and investing in cutting-edge technologies, evident through our technology-for-business ecosystems. By continuously allocating resources to enhance our products and platforms, we aim to secure our position at the forefront of innovation. Collaborating closely with strategic partners across various industries enables us to leverage collective expertise, driving opportunities that advance industry development. These investments underscore our dedication to sustainable practices and position Vongroup as a leader in implementing impactful, forward-thinking solutions.

Focused International Growth Strategy

Our strategy for international expansion is well-defined, with our growing operations in the UK marking a significant step in our efforts within the UK/EU market. We are actively pursuing opportunities to extend our international reach with our technology products and services. This includes utilising our extensive experience to offer consultancy services that enhance or develop clients' technology-focused business models. Building on over 15 years of expertise in technology and commercial operations, we anticipate further strengthening our presence in Hong Kong, expanding regionally throughout Asia, and entering new international markets.

A Heartfelt Appreciation

In closing, I would like to express my profound gratitude, on behalf of the entire Board of Directors of Vongroup, for your unwavering support, trust, and confidence in our vision and strategy. Your belief in our company has been foundational to our success and continues to inspire our aspirations for the future.

I also extend my deepest appreciation to those who are the essence of our organisation:

- **Our dedicated team members**, whose relentless efforts drive innovation and propel our company forward.
- **Our hardworking sales channel partners**, who are instrumental in expanding our reach to an ever-growing client base.

Your commitment, perseverance, and contributions during challenging times have been exceptional. It is through your collective efforts that Vongroup continues to thrive and push the boundaries of what is possible. As we look to the future, I am confident that your contributions will not only be appreciated but will remain fundamental to our success. Together, we are active shapers of the technological evolution.

Warm regards

Vong Tat Jeong David

Chief Executive Officer and Executive Director

Hong Kong, 31 December 2024

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Technology-Related Service Industry

The technology-related service industry in 2023-2024 is marked by transformative trends and significant challenges. This industry encompasses a wide array of services, including software development, IT services, consulting, and business solutions, with a pronounced focus on digital transformation, cloud computing, artificial intelligence (AI), and cybersecurity.

According to **Deloitte's Technology Industry Outlook (2024)** and **McKinsey & Company's Technology Trends Outlook (2024)**, companies are continuing to make substantial investments in digital transformation and cloud-based platforms. These investments are driven by the imperative for scalable solutions that foster business agility and resilience. Cloud computing remains a foundational element of this transformation, enabling organisations to leverage advanced technologies such as AI and machine learning to optimise operations and enhance customer experiences.

The technology service sector is also increasingly concentrating on industry-specific solutions. This includes offerings such as enterprise management technologies, event management solutions, financial management systems designed for large-scale events, SaaS mobile enterprise options, and virtual/hybrid event platforms. These tailored services empower businesses to address unique challenges and seize opportunities specific to their sectors, driving greater efficiency and effectiveness. Moreover, AI technologies, particularly generative AI, have experienced significant advancements and adoption across the industry. Businesses are increasingly utilising AI for a range of applications, including content creation, predictive analytics, and enhanced automation. This trend is anticipated to accelerate, with organisations exploring innovative applications to boost efficiency and productivity further.

The rise of digital transformation has also underscored the critical need for robust cybersecurity measures. Many enterprises are investing heavily in advanced cybersecurity solutions to safeguard their digital assets and ensure data integrity. This focus includes cloud security, managed detection and response services, and the implementation of comprehensive security frameworks to mitigate risks.

Economic Challenges and Market Dynamics

Despite these positive trends, the industry grapples with several economic challenges that threaten to hinder growth. High inflation rates, fluctuating interest rates, and persistent supply chain disruptions are significant concerns. Geopolitical tensions and economic slowdowns in key markets have adversely affected global tech spending and investment, leading to heightened caution in the market.

Additionally, many sectors within technology have experienced layoffs as companies streamline operations and implement cost-reduction strategies amidst uncertain revenue growth. This climate of uncertainty has prompted organisations to reassess their priorities and strategic investments.

Future Growth Prospects

Looking ahead, the technology-related service industry is expected by many analysts to experience a modest rebound. There is a cautious optimism that strategic investments in innovative technologies, combined with a sustained focus on digital transformation, will catalyse long-term growth. Companies are increasingly enhancing their supply chain resilience, adopting intelligent automation, modernising legacy systems, and investing in talent development to navigate the evolving landscape.

As organisations continue to adapt to the complexities of the market, they are likely to prioritise initiatives that foster agility and innovation. This proactive stance will be crucial in positioning themselves for success in an increasingly competitive and technology-driven environment.

VONGROUP'S BUSINESS

Overall Performance – Overview

Vongroup's primary revenue streams are derived from technology and related services, including software development, IT services, consulting, and comprehensive business solutions. At the core of our offerings is a robust portfolio of technology-for-business applications, digital transformation initiatives, and scalable cloud platforms. Our strengths encompass expertise and experience in enterprise management technologies, mega event management solutions, financial management technologies tailored for major events, SaaS mobile enterprise solutions, remote learning and training solutions, and virtual/hybrid EventTech offerings.

We are committed to leveraging our technological and business expertise, coupled with deep industry knowledge, to support our clients in Hong Kong and beyond. By utilising advanced enterprise technology tools, products, and services, we provide cost-effective solutions that empower clients to outperform their competitors. This approach enables businesses to outsource essential functions, especially during tight labour markets, and to deploy newer technologies swiftly in an increasingly tech-savvy, post-pandemic world.

Our ambition to expand globally has gained momentum with the growth of our operations in the UK and the European Union. We are pleased to report that despite navigating a complex landscape of innovation and economic challenges, we have maintained steady development, achieving another profitable year. By concentrating on digital transformation, AI, cybersecurity, and industry-specific solutions, we have successfully increased revenue across the Group, notably within our technology-related business, positioning ourselves well for future growth and resilience.

Growing Cross-Disciplinary Expertise in the Convergence of Technology and Business

Vongroup is an innovative leader in providing software and IT services that span multiple industries in Hong Kong and the wider region. As our clients embark on their digital transformation journeys, we have been at the forefront, addressing the increasing demand for remote business technologies. As businesses increasingly embrace technology enhancements, including advancements in AI and cybersecurity, we continue to evolve our offerings to meet both existing and emerging client needs.

Our success in our core technology-related business can be attributed to several key factors. Firstly, our long-term mission focuses on establishing strategic partnerships with clients and recognised organisations. Additionally, our flexible organisational structure allows us to adapt swiftly and allocate resources effectively across various sectors. Our acknowledged expertise in scalable cloud platforms for large-scale and mega events, along with our extensive online payment and related fintech systems, further bolsters our competitive edge.

Moreover, our stable management team, composed of seasoned professionals from the technology, business, and finance sectors both locally and globally, enhances our operational capabilities. We place a strong emphasis on talent development, research, and innovation, maintaining a proactive approach to identifying and developing new technologies expected to be in demand. This commitment to excellence enables us to execute services effectively, resulting in heightened customer satisfaction.

For instance, our TeamTech division develops and manages enterprise-level SaaS mobile resource platforms. These platforms facilitate efficient business operations and enhance commercial productivity within a post-pandemic landscape where remote work interactions have become the norm.

Our Group's extensive industry expertise across various verticals, coupled with our strong reputation and proven track record, delivers compelling value to a diverse range of clients. A prime example of this is our FringeBacker Events division, which develops, operates, and manages sophisticated cloud platforms for mega international events, including the Standard Chartered Hong Kong Marathon, the Sun Hung Kai Hong Kong Cyclothon, the Bank of China (Hong Kong) Hong Kong-Zhuhai-Macau Bridge Half Marathon and Hong Kong International Airport – Standard Chartered Hong Kong Marathon. These large-scale events, which engage tens of thousands, if not hundreds of thousands, of participants, demand cutting-edge technology, comprehensive project management capabilities, stringent security and privacy measures, unique fintech payment solutions, and unparalleled reputational assurance.

In addition to our event management capabilities, our Greenie EdTech division focuses on the remote learning and training sector, reflecting our commitment to addressing the evolving educational needs of our clients.

To maximise business opportunities and deliver more tailored services, we leverage our diverse technology and business capabilities alongside a deep contextual understanding of our clients' industries. This approach enables us to provide unique, high-quality, and impactful commercial results. For cross-border projects, we employ our 24/7 Borderless Services infrastructure and location-agnostic working model, pooling resources from multiple locations to ensure optimal support for our clients, regardless of where their businesses or specific needs are situated.

Strategy to Sustain in a Technologically Demanding Business Environment

At Vongroup, our business model is firmly grounded in a customer-focused approach, both within our organisation and in our service delivery. To this end, we prioritise research and forecasting to accurately anticipate our clients' future technology needs, allowing us to make timely investments and informed development decisions.

For instance, during the COVID-19 pandemic, we foresaw a significant shift towards advanced technology adoption in a post-pandemic landscape. In anticipation, we increased our research and development efforts in digital and remote interactions, enhancing security and privacy through cloud technology. These strategic investments are now yielding positive returns in the current financial year. Through our commitment to early research and development, our Group has positioned itself as a leader and pioneer in multiple technology-for-business domains. This includes developing and managing a premier technology platform for Hong Kong's largest mega sporting events, as well as creating and managing a leading mobile SaaS enterprise resource platform designed for remote business activities and collaboration.

The success of this strategy has resulted in a consistent flow of services, generating repeat business from our loyal client base year after year. Over time, this has fostered strong client relationships, an engaged and rewarded team, a solid industry reputation for quality, reliability, and security, expanded potential client markets, and a proven track record of delivering value to our shareholders.

Expansion and Development

Since our inception in 2007, Vongroup has been engaged in technology and related businesses, encompassing a wide range of services, including software development, IT services, consulting, and business solutions. We emphasise a diverse portfolio of technology-for-business applications, digital transformation initiatives, and scalable cloud platforms. Our expertise spans various industry verticals, including enterprise management technologies, event management solutions, financial management systems for major events, SaaS mobile enterprise solutions, remote learning and training solutions, as well as virtual/hybrid event solutions.

During the current financial year, our Vongroup Ecosystem has achieved notable expansion and development milestones in providing technology-for-business services and solutions. Key achievements include:

- **International Clients and UK/EU Presence:** We have successfully expanded our diversified client base to include organisations in Hong Kong, mainland China, Japan, Southeast Asia, and the UK/EU. Our establishment of a regional headquarters in the UK exemplifies our commitment to growing our international presence. Our clients range from small local firms to large international enterprises across various sectors, including investment banking, financial services, wealth management, legal services, engineering, e-commerce, education, media and entertainment, hospitality, and mega international sporting events.
- **Mega International Event Management Solutions:** Following the integration of Claman Group Limited's FringeBacker Events international cloud management and technology solutions, we have expanded our EventTech business to meet the growing demand for digital management of large-scale events. This includes managing various formats such as sports, music, performances, as well as virtual and hybrid events. Notably, our subsidiary, FringeBacker Events, has been reappointed to provide critical EventTech services for the Standard Chartered Hong Kong Marathon, the Bank of China Hong Kong-Zhuhai-Macau Bridge Half Marathon, and the, Hong Kong International Airport – Standard Chartered Hong Kong Marathon: Three-Runway System 10KM International Race, among others.
- **Financial Management Solutions:** FringeBacker Events has also developed robust financial management solutions tailored for large-scale ticketed entertainment. This includes the integration of cashless payment systems and other digital tools designed to address industry-specific challenges. Our cashless event payment system represents a resilient, secure, and scalable solution that helps drive new revenue streams for our clients.
- **SaaS Mobile Enterprise Solutions:** TeamTech Digital Corporation's TechSoft has made significant advancements to its SaaS productivity and team collaboration mobile application, incorporating industry-specific functionalities to better serve SMEs and broaden its distribution networks.
- **Virtual/Hybrid Conferences and Mobile Marketing Solutions:** We have expanded our strategic alliances and collaborative go-to-market efforts for virtual and hybrid conferences, exhibitions, and mobile marketing initiatives, both locally and internationally.

Business Outlook for 2025 and Beyond

Vongroup is strategically positioned for growth and expansion in 2025 and beyond, guided by a series of initiatives and emerging market trends, including the following:

1. *Enhanced Technology-for-Business Solutions*

As businesses increasingly embrace technology, the demand for advanced solutions is expected to rise significantly. We plan to enrich our portfolio of technology-for-business applications, with a particular emphasis on scalable cloud platforms, AI integration, and robust cybersecurity measures. Our expertise in enterprise management, mega event management, financial management, and remote learning solutions will be vital in addressing the evolving needs of our clients.

2. *Broader Geographical Expansion*

We are committed to amplifying our presence in international markets, with a strong focus on the UK/EU region, Southeast Asia, and other emerging markets. With personnel already established in the UK and the European Union, we aim to set up new regional headquarters and expand our client base. This approach will enable us to unlock new opportunities and diversify our revenue streams effectively.

3. *Ongoing Innovation and R&D Investments*

Continued investment in research and development will remain a top priority. We strive to stay at the forefront of technological advancements by developing innovative solutions that tackle future business challenges. Our focus will include expanding capabilities in AI, the Internet of Things (IoT), and other cutting-edge technologies, allowing us to create intelligent, data-driven solutions tailored to our clients' needs.

4. *Strategic Partnerships and Alliances*

Building and nurturing strategic partnerships will be pivotal to our growth strategy. Collaborating with technology and commercial partners will enable us to leverage new technologies, gain valuable market insights, and co-develop solutions that cater to the specific requirements of various industries. These alliances will enhance our ability to deliver comprehensive offerings that drive client success.

5. *Commitment to Sustainability and Corporate Responsibility*

We are deeply committed to sustainability and corporate responsibility. Our goal is to develop eco-friendly technologies and implement sustainable business practices that minimise our environmental impact. By prioritising sustainable solutions, we aim to generate long-term value for our stakeholders while contributing positively to society.

6. *Enhancing Client Experience*

Improving client experience will be central to our operational strategy. By adopting a customer-centric approach, we will focus on understanding client needs, providing personalised solutions, and ensuring high levels of satisfaction. Our objective is to cultivate long-lasting relationships and establish ourselves as a trusted partner in our clients' journeys.

By concentrating on these strategic priorities, we firmly believe that Vongroup is well-equipped to navigate the challenges and seize the opportunities that 2025 and beyond will present. Our commitment to sustainable growth and value creation for all stakeholders positions us for a successful future.

BUSINESS REVIEW

Technology-Related Business

The Group's primary revenue-generating segment is its technology and related services, which encompasses the provision of software and IT services, along with associated consulting and business solutions. This segment is characterised by a diverse portfolio of technology-for-business applications, digital transformation initiatives, and scalable cloud platforms. Our key areas of expertise include enterprise management technologies, event management solutions, financial management systems for major events, SaaS mobile enterprise solutions, remote learning and training solutions, and virtual/hybrid event offerings.

During the latest reporting period, our technology-related business segment recorded steady performance, with a revenue decrease of 0.2%, amounting to HK\$100.4 million (1H2023: HK\$100.6 million). Nevertheless, the segment achieved a profit of HK\$22.0 million for the six months (1H2023: HK\$25.0 million), reflecting our ongoing ability to enhance operational efficiency and deliver value.

Potential Additions to Strengthen Our Base

The rapid advancement of digital technology inherently leads to the evolution of new innovations while rendering older technologies less relevant, often at a pace that outstrips many other industries. In response to this dynamic landscape, the Group is actively pursuing strategic acquisitions that will complement our existing businesses, augment our management skills, and enhance our sales capabilities in the technology-for-business arena. These initiatives will strengthen our competitive position and ensure that we remain at the cutting edge of technological advancements.

Property and Other Businesses

Our property-related business follows a dual strategy aimed at optimising value creation for shareholders through value gain and rental income. The Group continues to identify and manage undervalued properties, which include commercial real estate in Kowloon East's CBD, prime residential properties, and low-density carpark facilities. While primarily focused in Hong Kong, our property interests extend to locations in Mainland China and Macau. We strategically acquire, manage, operate, and dispose of these properties to achieve both capital appreciation and steady rental income. Thus, income from our property segment is generated through both disposal proceeds and rental receipts, with changes in fair value contributing to annual profits or losses.

The recent rise in interest rates, coupled with a slow economic recovery in the property market, has impacted overall property values in Hong Kong. As of 31 October 2024, the property segment recorded an unrealised fair value of HK\$225.5 million (30 April 2024: HK\$228.3 million). Rental income during the six-month period was HK\$2.1 million (1H2023: HK\$2.5 million).

While the property segment continues to deliver steady income, the Group will maintain a cautious approach in light of uncertain market conditions. We are actively seeking opportunities to optimise our exposure in this segment, while remaining alert to undervalued prospects both in Hong Kong and abroad.

The Group's financial services division engages in securities trading and other financial operations. For the six months under review, the Group recorded revenue of HK\$1.0 million (1H2023: HK\$0.2 million), resulting in a profit of approximately HK\$0.4 million (1H2023: loss of HK\$0.1 million). Moving forward, we expect to continue reducing the weighting of this segment in comparison to the anticipated growth of our technology segment, aligning our resources towards more profitable and scalable operations.

RISK AND UNCERTAINTIES

The Group is exposed to the risk of negative, volatile or of uncertain developments, including but not limited to negative, volatile or uncertain developments in the global, regional and local economies, in the financial and property markets, and in the changes in patterns of consumption. These developments might reduce revenue or result in reduced valuations of the Group's investment properties or in the Group being unable to meet its strategic objectives or in negative effect to its financial condition, results of operations and businesses. The Company has adopted and will continue to adopt prudent financial policies to cope with the impact of uncertain factors.

FUND RAISING EXERCISES

The Company did not have any equity fund raising activity during the six months. There were no unutilised proceeds brought forward from any issue of equity securities made in previous years.

MATERIAL ACQUISITIONS AND DISPOSALS

(1) Potential acquisition of Equity Interest in Rosarini International Limited – FashionTech

On 27 May 2021, a wholly-owned subsidiary of the Company (the "Rosarini Purchaser") entered into a share purchase and strategic alliance agreement with Karen Michelle Scheinecker (the "Rosarini Vendor"), pursuant to which the Rosarini Purchaser conditionally agreed to acquire, and the Rosarini Vendor conditionally agreed to sell, 40% equity interest in Rosarini, which is principally engaged in the FashionTech business, at a consideration of HK\$22.0 million, which shall be satisfied as to HK\$11.0 million in cash and as to HK\$11.1 million by the allotment and issue of 17,000,000 consideration shares of the Company at an issue price of HK\$0.65 per share.

Pursuant to the share purchase and strategic alliance agreement, the Rosarini Vendor additionally conditionally granted to the Rosarini Purchaser the right to acquire up to a further 11% equity interest in Rosarini from the Rosarini Vendor, which right is exercisable at the discretion of the Rosarini Purchaser within 2 years of the completion of the acquisition, at an exercise consideration of HK\$6.1 million, or pro rata amount for partial exercise.

If the Rosarini Purchaser fully exercises its right in respect of such additional acquisition, and assuming no change in the shareholding of Rosarini, the Group will hold 51% of Rosarini, in which case the financial results of Rosarini would then be consolidated into the accounts of the Group. Details of this transaction were disclosed in the announcement of the Company dated 27 May 2021. As at the date of this announcement, this acquisition has not yet completed.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months.

SIGNIFICANT INVESTMENT

The Group had no significant investment of carrying value of 5% or more of the total assets as at 31 October 2024 and 30 April 2024.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained cash and bank balances as at 31 October 2024 amounting to approximately HK\$54.8 million (30 April 2024: HK\$53.1 million). The Group's current ratio as at 31 October 2024 was 4.4 (30 April 2024: 4.0). The total equity of the Group amounted to HK\$561.6 million as at 31 October 2024 (30 April 2024: HK\$546.5 million).

Gearing

The gearing ratio, as a ratio of interest-bearing borrowings to total equity, was 0.09 as at 31 October 2024 (30 April 2024: 0.10).

Exchange Rate Exposure

The Group's assets, liabilities and cash flow from operations are mainly denominated in Hong Kong dollars, US dollars and Renminbi. The Group currently does not have any related foreign exchanges hedges, however the Company monitors its foreign exchange exposure and will consider hedges should the need arise.

Treasury Policies

The Group generally finances its operations with internally generated resources and bank and other facilities. The interest rates of borrowings, if applicable, are generally charged by reference to prevailing market rates.

As at 31 October 2024, there were bank borrowings and overdraft facility, which were denominated in Hong Kong dollars, of approximately HK\$36.6 million (30 April 2024: HK\$37.6 million) and approximately HK\$12.5 million (30 April 2024: HK\$14.6 million) respectively. The bank borrowings that are not repayable within one year from the end of the reporting period but contains a repayment on demand clause. The bank overdraft facility is used by the Group as a flexible facility for daily operations similar to other banking facilities. All bank borrowings were classified into current liabilities of the Group.

As at 31 October 2024, there was an unsecured loan entered into by a non-wholly-owned subsidiary, which was denominated in Hong Kong dollars, of approximately HK\$0.8 million (30 April 2024: HK\$0.8 million).

Contingent Liabilities

As at 31 October 2024, the Group did not have any material contingent liability (30 April 2024: nil).

Pledge of Assets

As at 31 October 2024, the bank borrowings of the Group were drawn under banking facilities. The banking facilities are secured and guaranteed by:

- (i) Investment properties of the Group with an aggregate net carrying amount of approximately HK\$178.6 million (30 April 2024: HK\$181.0 million);
- (ii) Leasehold land and buildings of approximately HK\$9.7 million (30 April 2024: HK\$10.0 million); and
- (iii) An unlimited corporate guarantee provided by the Company.

All of the banking facilities are subject to the fulfilment of covenants relating to the respective subsidiaries as are commonly found in lending arrangements with financial institutions. If the subsidiaries were to breach the covenants, the drawn down facilities would become repayable on demand. In addition, the subsidiaries' loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the subsidiaries have complied with the covenants and met the scheduled repayment obligations.

Commitments

The Group had no capital commitments as at 31 October 2024 (30 April 2024: nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 October 2024, the Group had 36 (30 April 2024: 38) employees. The total staff costs (including directors' remuneration) for the six months were approximately HK\$8.4 million (1H 2023: HK\$9.6 million). The Group has not experienced any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare, share options and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standards set out in the Model Code during the six months ended 31 October 2024.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2024 (31 October 2023: nil).

Purchase, Sale or Redemption of listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 October 2024.

Audit Committee

During the six months ended 31 October 2024, the audit committee of the Company (the "Audit Committee") comprised three independent non-executive directors, namely, Fung Ka Keung David, Daphne Bontein da Rosa Gohel and Susie Au. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 October 2024.

Compliance with the Code on Corporate Governance Practices

During the six months ended 31 October 2024, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") and periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code, except for the deviation from code provisions C.1.8, C.2.1, and B.2.2 of the CG Code as described below.

Under code provision C.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. However, the Company did not take out insurance cover in respect of legal action against the Directors because it is believed that this legal risk to the Directors is quite low.

Under code provision C.2.1, the role of chairman and chief executive officer ("CEO") should be performed by different individuals. Since September 2005, Vong Tat Ieong David, who is a director and CEO of the Company, has also carried out the responsibilities of the chairman of the Company. The Board considers the present structure is more suitable to the Company for it can provide strong and consistent leadership and allow for more efficient formulation and implementation of the Company's development strategies.

Under code provision B.2.2, every Director should be appointed for a specific term, subject to re-election. Two independent non-executive Directors of the Company are not appointed for a specific term, which derives from code provision B.2.2. In accordance with Article 87 of the Articles of Association adopted on 31 October 2022 (the "New Articles") of the Company, at least one-third of the Directors for the time being shall retire from office by rotation, who have been longest in office since their last re-election, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. As such, the Board considers that this deviation is acceptable.

By order of the Board

Vong Tat Ieong David

Chief Executive Officer and Executive Director

Hong Kong, 31 December 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Vong Tat Ieong David and Xu Siping; and three independent non-executive Directors, namely Susie Au, Daphne Bontein da Rosa Gohel and Fung Ka Keung David.

* *For identification purpose only*