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## NET-A-GO TECHNOLOGY COMPANY LIMITED

### 網譽科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1483)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

### RESULTS

The Board of Directors announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 together with the comparative figures for the immediately preceding year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
	Note	HK\$'000	(Restated) HK\$'000
<b>Continuing operations</b>			
Revenue	4	294,721	188,400
Cost of revenue	5	(283,214)	(170,723)
<b>Gross profit</b>		<b>11,507</b>	17,677
General and administrative expenses	5	(60,709)	(43,290)
Selling and marketing expenses	5	(15,498)	–
Net impairment loss on financial assets and contract assets	5	(32,206)	(1,215)
Other income	6	581	704
Other gains/(losses) – net	6	10,714	(1,217)
<b>Operating loss</b>		<b>(85,611)</b>	(27,341)
Finance income	7	9,074	4,334
Finance costs	7	(23,910)	(221)
Finance (costs)/income – net	7	(14,836)	4,113

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(CONTINUED)**

*FOR THE YEAR ENDED 31 DECEMBER 2024*

		<b>Year ended 31 December</b>	
		<b>2024</b>	2023
			(Restated)
	<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Loss before income tax</b>		<b>(100,447)</b>	(23,228)
Income tax credit	8	<u>5,804</u>	<u>3,649</u>
<b>Loss from continuing operations</b>		<b>(94,643)</b>	(19,579)
Profit/(loss) from discontinued operations (attributable to equity holders of the Company)	9	<u>18,422</u>	<u>(20,553)</u>
<b>Loss for the year</b>		<u><b>(76,221)</b></u>	<u>(40,132)</u>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences of foreign operations		(440)	(2,730)
Currency translation differences of discontinued operations		<u>(2,622)</u>	<u>(671)</u>
<b>Other comprehensive loss for the year</b>		<u><b>(3,062)</b></u>	<u>(3,401)</u>
<b>Total comprehensive loss for the year</b>		<u><b>(79,283)</b></u>	<u>(43,533)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(CONTINUED)**

*FOR THE YEAR ENDED 31 DECEMBER 2024*

		<b>Year ended 31 December</b>	
		<b>2024</b>	2023
			(Restated)
	<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Loss attributable to:</b>			
Equity holders of the Company		<b>(22,961)</b>	(34,845)
Non-controlling interests		<b>(53,260)</b>	(5,287)
		<u><b>(76,221)</b></u>	<u>(40,132)</u>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(24,795)</b>	(36,829)
Non-controlling interests		<b>(54,488)</b>	(6,704)
		<u><b>(79,283)</b></u>	<u>(43,533)</u>
<b>Total comprehensive (loss)/income attributable to the equity holders of the Company arise from:</b>			
Continuing operations		<b>(49,939)</b>	(33,249)
Discontinued operations		<b>25,144</b>	(3,580)
		<u><b>(24,795)</b></u>	<u>(36,829)</u>
<b>Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share	<i>10(a)</i>	<b>(6 cents)</b>	(2 cents)
Diluted loss per share	<i>10(b)</i>	<b>(6 cents)</b>	(2 cents)
<b>Loss per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share	<i>10(a)</i>	<b>(3 cents)</b>	(5 cents)
Diluted loss per share	<i>10(b)</i>	<b>(3 cents)</b>	(5 cents)

**CONSOLIDATED BALANCE SHEET**  
AS AT 31 DECEMBER 2024

		As at 31 December	
	Note	2024 HK\$'000	2023 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,585	18,687
Investment properties		–	72,500
Right-of-use assets		5,735	3,363
Intangible assets	16	356,714	26,812
Investment in an associate		216	–
Restricted cash		1,727	2,152
Contract assets	4	13,706	16,358
Deferred income tax assets		6,137	550
Total non-current assets		<u>388,820</u>	<u>140,422</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	17	94,707	28,848
Inventories		12,639	4,070
Trade receivables, net	12	140,731	152,833
Contract assets		20,994	–
Deposits, prepayments and other receivables		37,684	17,096
Restricted cash		1,235	1
Cash and cash equivalents		210,486	245,234
Current assets excluding assets classified as held for sale		518,476	448,082
Assets classified as held for sale	9(b)	70,212	–
Total current assets		<u>588,688</u>	<u>448,082</u>
<b>Total assets</b>		<u><b>977,508</b></u>	<u><b>588,504</b></u>
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		7,950	7,950
Share premium		628,837	628,837
Reserves		(318,967)	(291,148)
		317,820	345,639
<b>Non-controlling interests</b>		<u>30,594</u>	<u>85,403</u>
		<u><b>348,414</b></u>	<u><b>431,042</b></u>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

		As at 31 December	
		2024	2023
	Note	HK\$'000	HK\$'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		2,426	1,898
Other payables	15	177,711	–
Deposits received	15	–	340
Deferred income tax liabilities		2,107	24,281
		<u>182,244</u>	<u>26,519</u>
Total non-current liabilities		182,244	26,519
<b>Current liabilities</b>			
Borrowings	13	8,206	–
Trade payables	14	14,425	20,528
Accruals, provisions and other payables	15	204,949	40,563
Contract liabilities		3,475	–
Deposits received	15	–	806
Consideration payable		57,278	58,530
Lease liabilities		3,208	1,820
Loan from a shareholder		119,085	–
Loans from related parties		11,277	–
Current income tax liabilities		8,659	8,696
		<u>430,562</u>	<u>130,943</u>
Total current liabilities excluding liabilities relating to assets held for sale		430,562	130,943
Liabilities relating to assets classified as held for sale	9(b)	16,288	–
		<u>446,850</u>	<u>130,943</u>
Total current liabilities		446,850	130,943
<b>Total liabilities</b>		<u>629,094</u>	<u>157,462</u>
<b>Total equity and liabilities</b>		<u>977,508</u>	<u>588,504</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Net-a-go Technology Company Limited (the “Company”) was incorporated in the Cayman Islands on 20 June 2013 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KYI-1205, Cayman Islands. The Company’s principal place of business is located at Suite 1201, 1111 King’s Road, Taikoo Shing, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries (collectively, the “Group”) are principally engaged in environmental maintenance business, media advertising and marketing business and trading business.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of directors on 28 March 2025.

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss, which are carried at fair values.

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

**(a) Amended standards and interpretation adopted by the Group**

The Group has applied the following amended standards and interpretation for the first time for their annual reporting period commencing 1 January 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 Sales and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amended standards and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New and amended standards and interpretation not yet adopted by the Group**

Certain new standard, amendments to existing standards and interpretation have been published but are not effective for the financial year beginning on or after 1 January 2025 reporting periods and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

These new, amended standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new, amended standards and interpretations when they become effective.

### **3 SEGMENT INFORMATION**

The CODM has been identified as the executive directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group disposed of the Sale of medical devices business (historically being classified as "Others" for segment information purposes) and was in the process of disposing of the property leasing business during the year ended 31 December 2024. See Note 9 for details. Accordingly, the result of such businesses are classified as discontinued operations for the years ended 31 December 2024. The 2023 comparatives have been classified to take that into effect.

The Group continued to be engaged in two operating segments during the year ended 31 December 2024, namely, Environmental maintenance business and Trading business. The Group also started a business during the year, being the Media advertising and marketing business. The executive directors of the Company assess the business performance based on a measure of operating results. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated.

The Group's reportable segments under HKFRS 8 for continuing operations are as follows:

- (i) Environmental maintenance business
- (ii) Media advertising and marketing business
- (iii) Trading business

## Segment revenue and results

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

	Environmental maintenance business		Media advertising and marketing business		Trading business		Continued Operations Sub-total		Property leasing business		Others		Discontinued Operations Sub-total		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
<b>Segment revenue</b>																
External revenue	132,607	161,419	88,501	-	73,613	26,981	294,721	188,400	2,538	2,881	3,504	14,033	6,042	16,914	300,763	205,314
Finance cost	(6)	(149)	(20,227)	-	(58)	(9)	(20,291)	(158)	-	-	(143)	(130)	(143)	(130)	(20,434)	(288)
Segment (loss)/profit	(42,811)	(10,053)	(79,408)	-	33,959	(2,281)	(88,260)	(12,334)	(194)	(18,382)	24,146	(3,729)	23,952	(22,111)	(64,308)	(34,445)
Finance income							9,074	4,334							9,074	4,334
Finance cost							(3,619)	(63)							(3,619)	(63)
Unallocated corporate expenses							(17,642)	(15,165)							(17,642)	(15,165)
Loss before income tax							(100,447)	(23,228)							(76,495)	(45,339)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the profit earned by/loss incurred by each segment without allocation of central administration costs, directors' emoluments and finance income. This is the measure reported to the CODM for purposes of resources allocation and performance assessment.

## Segment assets and liabilities

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

	Environmental maintenance business		Media advertising and marketing business		Trading business		Continued Operations Sub-total		Property leasing business		Others		Discontinued Operations Sub-total		Total	
	2024	2023	2024	2023	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	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
<b>Segment assets</b>	<b>143,780</b>	203,466	<b>404,575</b>	-	<b>136,774</b>	41,548	<b>685,129</b>	245,014	<b>70,212</b>	72,661	-	22,350	<b>70,212</b>	95,011	<b>755,341</b>	340,025
Cash and cash equivalents															<b>210,486</b>	245,234
Deferred income tax assets															<b>6,137</b>	550
Other unallocated corporate assets															<b>5,544</b>	2,695
<b>Total assets</b>															<b>977,508</b>	<b>588,504</b>
<b>Segment liabilities</b>	<b>47,386</b>	49,621	<b>368,887</b>	-	<b>6,405</b>	1,412	<b>422,678</b>	51,033	<b>16,288</b>	1,145	-	8,985	<b>16,288</b>	10,130	<b>438,966</b>	61,163
Deferred income tax liabilities															<b>2,107</b>	24,281
Consideration payable															<b>57,278</b>	58,530
Current income tax liabilities															<b>8,659</b>	8,696
Other unallocated liabilities															<b>122,084</b>	4,792
<b>Total liabilities</b>															<b>629,094</b>	<b>157,462</b>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment and right-of-use assets, cash and cash equivalents, certain deposits and prepayment, other receivables and deferred income tax assets.
- all liabilities are allocated to operating segments other than certain deposits received, accruals and other payables, consideration payable, current income tax liabilities and deferred income tax liabilities.

## Other segment information

	Environmental maintenance business		Media advertising and marketing business		Trading business		Continued Operations Sub-total		Property leasing business		Others		Discontinued Operations Sub-total		Total	
	2023		2023		2023		2023		2023		2023		2023		2023	
	2024	(Restated)	2024	(Restated)	2024	(Restated)	2024	(Restated)	2024	(Restated)	2024	(Restated)	2024	(Restated)	2024	(Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	5,954	11,742	-	-	14	64	5,968	11,806	75	77	21	51	96	128	6,064	11,934
Depreciation of right-of-use assets	70	-	1,431	-	844	706	2,345	706	-	-	697	880	697	880	3,042	1,586
Impairment of intangible assets	4,690	3,751	-	-	-	-	4,690	3,751	-	-	-	-	-	-	4,690	3,751
Impairment of property, plant and equipment	7,733	7,212	-	-	-	-	7,733	7,212	-	-	-	-	-	-	7,733	7,212
Amortisation of intangible assets	1,954	2,769	85,835	-	-	-	87,789	2,769	-	-	1,197	2,051	1,197	2,051	88,986	4,820
Fair value loss on investment properties	-	-	-	-	-	-	-	-	(1,844)	(6,310)	-	-	(1,844)	(6,310)	(1,844)	(6,310)
Capital expenditure	760	1,243	439,441	-	-	-	440,201	1,243	-	-	-	-	-	-	440,201	1,243

## Geographical Information

The Group's operations are located in Hong Kong, China and Mainland China. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024	2023	2024	2023
	(Restated)	(Restated)	(Restated)	(Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing Operations				
– Hong Kong, China	72,084	18,413	753	1,353
– Mainland China	222,637	169,987	388,067	47,010
	<b>294,721</b>	<b>188,400</b>	<b>388,820</b>	<b>48,363</b>
Discontinued Operations				
– Mainland China	6,042	16,914	-	92,059
Total	<b>300,763</b>	<b>205,314</b>	<b>388,820</b>	<b>140,422</b>

The Group had no inter-segment sales for the years ended 31 December 2023 and 2024.

For the year ended 31 December 2024, there is one (2023: two) external customer which individually contributed to more than 10% of revenue of the Group:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<b>41,190</b>	37,865
Customer B	<b>N/A*</b>	28,160

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective years.

#### 4 REVENUE

	<b>2024</b> <i>HK\$'000</i>	2023 (Restated) <i>HK\$'000</i>
<b>Environmental maintenance business</b>		
Services income for provision of environmental maintenance services	<b>132,607</b>	161,419
<b>Media advertising and marketing business</b>		
Advertising income for provision of media advertising and marketing services ( <i>Note</i> )	<b>88,501</b>	–
<b>Trading business</b>		
Trading of cosmetic products	<b>73,613</b>	19,986
Trading of frozen meat	–	6,995
<b>Total revenue</b>	<b>294,721</b>	188,400
<b>Timing of revenue recognition</b>		
– Over time	<b>221,108</b>	161,419
– At a point in time	<b>73,613</b>	26,981
	<b>294,721</b>	188,400

*Note:* The Group started the media advertising and marketing business in May 2024 and mainly distributed advertisements of a PRC cinema chain to its customers pursuant to a three-year advertising distribution agreement entered into with the relevant party.

The Group has recognised the following revenue-related contract assets and liabilities:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Contract assets</b>		
Classified under:		
– Environmental maintenance business	<b>28,806</b>	29,436
– Media advertising and marketing business	<b>21,081</b>	–
Less: loss allowance	<b>(15,187)</b>	(13,078)
	<b>34,700</b>	16,358
Less: Non-current portion	<b>(13,706)</b>	(16,358)
	<b>20,994</b>	–

As at 31 December 2024, the non-current portion of contract assets were arisen from a service contract with a customer of its environmental maintenance business in which the Group has provided the relevant services with an agreed payment schedule of 8 years. Up to the date of this report, the Group has recognised an accumulated revenue of HK\$32,626,000 (2023: HK\$32,626,000) in relation to this project. Since the Group has yet to receive audited project report from the customer as at respective year end date, the contract assets have yet to be converted to trade receivables as at 31 December 2024 (2023: Same).

As at 31 December 2024, the current portion of contract assets relating to media advertising and marketing business consist of unbilled amount resulting from media advertising and marketing when the revenues recognised exceeds the amount billed the customer. The contract assets are transferred to trade receivables when the rights become unconditional (2023: Nil).

A provision for impairment of the Environmental maintenance business's contract assets of HK\$2,312,000 (2023: HK\$1,451,000) was made as at 31 December 2024, based on individual impairment assessment carried out for the customer which showed an impairment indicator.

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Contract liabilities</b>	<b>3,475</b>	–

As at 31 December 2024, contract liabilities represented the Group's obligation to provide relevant advertising services to its media advertising and marketing business customers for which the Group has already received considerations from the customers.

## 5 EXPENSES BY NATURE

	2024 <i>HK\$'000</i>	2023 (Restated) <i>HK\$'000</i>
Amortisation of intangible assets ( <i>Note 16</i> )	87,789	2,769
Auditors' remuneration		
– Audit services	1,950	1,550
– Non-audit services	–	–
Cost of environmental maintenance business	28,598	37,434
Cost of media advertising and marketing business	15,723	–
Cost of goods sold	58,536	28,526
Depreciation – Property, plant and equipment	5,968	11,806
Depreciation – Right-of-use assets	2,345	706
Employee benefits expenses	115,364	102,211
Legal and professional fee	3,329	1,707
Expenses relating to short-term leases	858	1,334
Net provision for/(reversal of) impairment loss on financial assets	29,807	(236)
Net impairment loss on contract assets	2,399	1,451
Share-based payment expenses	178	2,156
Transportation charges	2,581	1,174
Utilities expenses	1,660	1,805
Impairment of property, plant and equipment	7,733	7,212
Impairment of intangible assets ( <i>Note 16</i> )	4,690	3,751
Others	22,119	9,872
	<u>391,627</u>	<u>215,228</u>
Representing:		
Cost of revenue	283,214	170,723
General and administrative expenses	60,709	43,290
Selling and marketing expenses	15,498	–
Net impairment loss on financial assets and contract assets	32,206	1,215
	<u>391,627</u>	<u>215,228</u>

**6 OTHER INCOME AND OTHER GAINS/(LOSSES) - NET**

	<b>2024</b>	2023
	<i>HK\$'000</i>	(Restated)
		<i>HK\$'000</i>
<b>Other income</b>		
Miscellaneous income	<u>581</u>	<u>704</u>
<b>Other gains/(losses) - net</b>		
Loss on placement marketing contract <i>(Note 15(b))</i>	(13,335)	–
Fair value gain upon disposal of financial assets at fair value through profit or loss	14,418	2,312
Fair value gain/(loss) of financial assets at fair value through profit or loss	10,140	(4,573)
Foreign exchange (loss)/gain, net	(1,026)	1,178
Gain/(loss) on disposal of property, plant and equipment	<u>517</u>	<u>(134)</u>
	<u><u>10,714</u></u>	<u><u>(1,217)</u></u>

7 FINANCE (COSTS)/INCOME – NET

	2024 <i>HK\$'000</i>	2023 (Restated) <i>HK\$'000</i>
<b>Finance income</b>		
– Interest income on bank deposits	7,830	3,625
– Other interest income	<u>1,244</u>	<u>709</u>
	<u>9,074</u>	<u>4,334</u>
<b>Finance costs</b>		
– Interest expense on borrowings	(44)	(149)
– Interest expense on lease liabilities	(336)	(72)
– Interest expense on loan from a shareholder	(3,552)	–
– Interest expense on loans from related parties	(488)	–
– Interest expense on payables for purchase advertising distribution right and placement marketing contract	<u>(19,490)</u>	<u>–</u>
	<u>(23,910)</u>	<u>(221)</u>
Finance (costs)/income – net	<u><u>(14,836)</u></u>	<u><u>4,113</u></u>

## 8 INCOME TAX CREDIT

The amount of income tax credit recognised in the consolidated statement of comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
Hong Kong profit tax	629	–
PRC enterprise income tax	3,456	3,526
Deferred income tax credit	<u>(4,359)</u>	<u>(8,733)</u>
Income tax credit	<u><u>(274)</u></u>	<u><u>(5,207)</u></u>
Income tax credit is attributable to:		
Profit from continuing operations	(5,804)	(3,649)
Loss/(profit) from discontinued operations	<u>5,530</u>	<u>(1,558)</u>
	<u><u>(274)</u></u>	<u><u>(5,207)</u></u>

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

The Group is eligible to nominate one Hong Kong incorporated entity in the Group to be chargeable at the two tiered profits tax rates, whereby profits tax will be chargeable on the first HK\$2 million of assessable profits at 8.25% and assessable profits above the threshold will be subject to a rate of 16.5%. Hong Kong profits tax of other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The applicable corporate income tax rate for the Group's PRC subsidiaries is 25% on the estimated assessable profits.

Guangxi Zaiguang Technology Co., Ltd ("Zaigaung"), a subsidiary of the Group, was established in Guangxi Zhuang Autonomous Region, PRC. It is eligible for preferential tax policies applicable for China (Guangxi) Pilot Free Trade Zone and the Western Development of China, and entitled to a preferential income tax rate of 9% for the year ended 31 December 2024 (2023: Not applicable).

The tax on the Group's loss before income tax differs than the theoretical amount that would arise using the PRC statutory tax rate applicable to profits of the consolidated entities as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Loss from continuing operations before income tax	<b>(100,447)</b>	(23,228)
Profit/(loss) from discontinued operations before income tax	<b>23,952</b>	(22,111)
	<b>(76,495)</b>	(45,339)
Tax calculated at PRC statutory income tax rate of 25% (2023: 25%)	<b>(19,124)</b>	(11,335)
Effect of different taxation rates in other jurisdictions	<b>(1,508)</b>	935
Effect of different taxation rates under preferential tax treatment	<b>12,703</b>	–
Tax effects of:		
Income not subject to tax	<b>(10,718)</b>	(478)
Expenses not deductible for tax purposes	<b>3,164</b>	411
Deferred tax not recognised for tax losses	<b>15,526</b>	5,348
Utilisation of previously unrecognised tax losses	<b>(152)</b>	(88)
Impact of two-tiered profits tax rates regime	<b>(165)</b>	–
	<b>(274)</b>	(5,207)

## 9 DISCONTINUED OPERATIONS

### (a) Disposal of the sale of medical devices business

On 30 April 2024, the Group entered into an agreement with a third party to dispose of its 90%-equity interest in Shanghai Umitai Medical Technology Company Limited (“Umitai”), the company principally engaged in the sale of medical device business, at a consideration of RMB22,500,000 (equivalent to HK\$24,648,000).

The financial performance and cash flow information of the sale of medical device business for the year ended 31 December 2023 and for the period from 1 January 2024 to 1 August 2024 (date of completion of disposal), were as follows:

	<b>Period from 1 January 2024 to 1 August 2024 HK\$'000</b>	2023 HK\$'000
Revenue	3,504	14,033
Other income	4	4
Cost of revenue	(3,101)	(11,374)
Administrative expenses	(2,995)	(6,266)
Other gains – net	<u>153</u>	<u>–</u>
<b>Operating loss</b>	<b><u>(2,435)</u></b>	<b><u>(3,603)</u></b>
Finance income	1	4
Finance costs	<u>(143)</u>	<u>(130)</u>
Finance costs – net	<b><u>(142)</u></b>	<b><u>(126)</u></b>

	<b>Period from 1 January 2024 to 1 August 2024 HK\$'000</b>	<b>2023 HK\$'000</b>
<b>Loss before income tax</b>	(2,577)	(3,729)
Income tax (expenses)/credit	<u>(5,537)</u>	<u>509</u>
<b>Loss after tax of discontinued operations</b>	(8,114)	(3,220)
Gain on disposal of a subsidiary	<u>26,723</u>	<u>–</u>
<b>Profit/(loss) for the period/year from discontinued operations</b>	<u>18,609</u>	<u>(3,220)</u>
Currency translation differences of discontinued operations	<u>35</u>	<u>97</u>
<b>Other comprehensive income from discontinued operations</b>	<u>35</u>	<u>97</u>
Net cash (used in)/generated from operating activities	(1,905)	1,594
Net cash generated from investing activities	1	4
Net cash generated from/(used in) financing activities	<u>7,777</u>	<u>(1,030)</u>
<b>Total cash flows</b>	<u><u>5,873</u></u>	<u><u>568</u></u>

The carrying amounts of assets and liabilities of the sale of medical device business as at 1 August 2024 (date of completion of disposal), were as follows:

	<b>2024</b> <b>HK\$'000</b>
Property, plant and equipment	133
Right-of-use assets	26,743
Intangible assets ( <i>Note 16</i> )	16,077
Inventories	4,632
Trade receivables, net	1,532
Deposits, prepayments and other receivables	2,407
Cash and cash equivalents	7,328
Borrowings ( <i>Note</i> )	(32,646)
Trade payables	(7,939)
Accruals, provisions and other payables	(8,218)
Lease liabilities	(3,330)
Deferred income tax liabilities	(9,872)
	<hr/>
Net liabilities disposed of	(3,153)
Non-controlling interests	321
	<hr/>
Gain on disposal of subsidiary before reclassification of foreign currency translation reserve	27,480
Reclassification of foreign currency translation reserve	(757)
	<hr/>
Gain on disposal of subsidiary after reclassification of foreign currency translation reserve	26,723
	<hr/>
Cash consideration received	24,648
Cash and cash equivalents disposed of	(7,328)
	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal	<b>17,320</b>

*Note:* The borrowings were drawn down from June to July 2024, denominated in RMB, interest-bearing at a range from 3.35% to 3.45% per annum, and repayable in one year. They were guaranteed in full by Mr. Sang Huiqing, brother of Mr. Sang Kangqiao, and secured by factory buildings owned by Shanghai Benemae Pharmaceutical Corporation, a company controlled by Mr. Sang Huiqing. Mr. Sang Huiqing holds 5% equity interest in Umitai.

**(b) Property leasing business to be disposed**

On 10 January 2025, the Group entered into an agreement with an independent third party, pursuant to which the Group conditionally agreed to sell and the independent third party, conditionally agreed to purchase, the Sale Shares at a consideration of RMB71,788,700 (equivalent to HK\$77,525,000). The disposal company (the “Disposal Company”), a direct wholly-owned subsidiary of the Group, is a company incorporated in the British Virgin Islands with limited liability, and together with its subsidiaries is principally engaged in the property leasing business (collectively, the “Property Leasing Disposal Group”). Completion is conditional upon the satisfaction of certain condition precedents stipulated in the agreement.

As the Property Leasing Disposal Group is considered as a separate major line of business, the corresponding operations had been classified as discontinued operations.

The financial performance and cash flow information of the Property Leasing Disposal Group for the year ended 31 December 2024 and 2023, were as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Revenue	<b>2,538</b>	2,881
Other income	<b>184</b>	–
Cost of revenue	<b>(415)</b>	(252)
Other losses – net	<b>(1,844)</b>	(6,310)
Net impairment loss on trade receivables and contract assets	–	(14,177)
Administrative expenses	<b>(662)</b>	(529)
<b>Operating loss</b>	<b>(199)</b>	(18,387)
Finance income – net	<b>5</b>	5

	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss before income tax</b>	<b>(194)</b>	(18,382)
Income tax credit	<u>7</u>	<u>1,049</u>
<b>Loss after tax of discontinued operations</b>	<b>(187)</b>	(17,333)
Currency translation differences of discontinued operations	<u>(1,501)</u>	<u>(768)</u>
<b>Other comprehensive loss from discontinued operations</b>	<u>(1,501)</u>	<u>(768)</u>
Net cash (used in)/generated from operating activities	<u>(3,016)</u>	<u>75</u>
<b>Total cash flows</b>	<b><u>(3,016)</u></b>	<b><u>75</u></b>

Assets and liabilities classified as held for sale at 31 December 2024 are analysed as follows:

	<b>2024</b>
	<b>HK\$'000</b>
Property, plant and equipment	<b>83</b>
Investment properties	<b>69,114</b>
Trade receivables, net	<b>347</b>
Cash and cash equivalents	<u><b>668</b></u>
Total assets classified as held for sale	<b><u><u>70,212</u></u></b>
Deposit received	<b>(911)</b>
Accruals, provisions and other payables	<b>(1,310)</b>
Current income tax liabilities	<b>(911)</b>
Deferred tax liabilities	<u><b>(13,156)</b></u>
Total liabilities classified as held for sale	<b><u><u>(16,288)</u></u></b>

## 10 LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
(Loss)/profit attributable to the ordinary equity holders of the Company used in calculating basis loss per share:		
– Continuing operations	<b>(42,952)</b>	(14,614)
– Discontinued operations	<b>19,991</b>	(20,231)
	<b>(22,961)</b>	(34,845)
Weighted average number of ordinary shares in issue (thousands)	<b>768,808</b>	770,322
Basic (loss)/earnings per share		
– Continuing operations	<b>(6 cents)</b>	(2 cents)
– Discontinued operations	<b>3 cents</b>	(3 cents)
	<b>(3 cents)</b>	(5 cents)

### (b) Diluted

Diluted losses per share for the years ended 31 December 2024 and 2023 were the same as the basic losses per share as there were no potential dilutive ordinary shares.

## 11 DIVIDENDS

The directors do not recommend the payment of final dividends for the years ended 31 December 2024 and 2023.

## 12 TRADE RECEIVABLES, NET

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables	<b>170,436</b>	153,386
Less: Loss allowance	<b>(29,705)</b>	(553)
	<hr/>	<hr/>
Trade receivables, net	<b><u>140,731</u></b>	<u>152,833</u>

The ageing analysis of trade receivables based on invoice date is as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 to 30 days	<b>21,257</b>	17,280
31 to 60 days	<b>9,835</b>	12,537
61 to 90 days	<b>5,140</b>	11,650
Over 91 days	<b>134,204</b>	111,919
	<hr/>	<hr/>
	<b>170,436</b>	153,386
Less: Loss allowance	<b>(29,705)</b>	(553)
	<hr/>	<hr/>
Trade receivables, net	<b><u>140,731</u></b>	<u>152,833</u>

The credit periods granted by the Group to its customers for its environmental maintenance business and media advertising and marketing business, are based on the agreed contract terms or subsequent mutual agreement, which range from 30 to 180 days. As at 31 December 2024, the Group's trade receivables mainly comprised receivables from the Group's environmental maintenance business and media advertising and marketing business (2023: mainly from environmental maintenance business).

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Movements of loss allowance for trade receivables are as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
At 1 January	<b>553</b>	800
Provision/(reversal of) for loss allowance	<b>29,807</b>	(236)
Exchange difference	<b>(655)</b>	(11)
	<u><b>29,705</b></u>	<u>(11)</u>
At 31 December	<u><b>29,705</b></u>	<u>553</u>

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB. The maximum exposure to credit risk at the balance sheet date is the carrying values of trade receivables mentioned above. The Group does not hold any collateral as security.

### 13 BORROWINGS

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Borrowings ( <i>Note</i> )	<u><b>8,206</b></u>	<u>–</u>

*Note:* During the year ended 31 December 2024, the Group entered into certain loan agreements with third parties. Out of these loans, HK\$5,400,000 was interest-free, unsecured and was repayable within one year. The remaining loans were unsecured and bore an interest rate of 9% per annum and were repayable within one year.

## 14 TRADE PAYABLES

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 to 30 days	<b>3,283</b>	2,758
31 to 60 days	<b>946</b>	2,866
61 to 90 days	<b>222</b>	1,002
91 to 120 days	<b>260</b>	1,327
Over 120 days	<b>9,714</b>	12,575
	<b><u>14,425</u></b>	<u>20,528</u>

The carrying amounts of trade payables approximate their fair values and are denominated in RMB.

## 15 ACCRUALS, PROVISIONS AND OTHER PAYABLES AND DEPOSITS RECEIVED

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Accruals, provisions and other payables</b>		
Accrued wages, salaries and bonuses	12,644	11,955
Payables for purchases of property, plant and equipment	132	507
Other accrued expenses	17,384	14,434
VAT and other tax payables	13,136	13,667
Payable for purchase of advertising distribution right ( <i>Note (a)</i> )	330,821	–
Payable for purchase of placement marketing contract ( <i>Note (b)</i> )	<u>8,543</u>	<u>–</u>
	<u>382,660</u>	<u>40,563</u>
Less: Non-current portion		
– Payable for purchase of advertising distribution right ( <i>Note (a)</i> )	169,168	–
– Payable for purchase of placement marketing contract ( <i>Note (b)</i> )	<u>8,543</u>	<u>–</u>
	<u>177,711</u>	<u>–</u>
Current portion	<u><u>204,949</u></u>	<u><u>40,563</u></u>
<b>Deposits received</b>		
Tenants' deposits received	–	1,146
Less: Non-current portion	<u>–</u>	<u>(340)</u>
Current portion	<u><u>–</u></u>	<u><u>806</u></u>

The carrying amounts of accruals, provisions and other payables and deposits received approximate their fair values and are denominated in RMB, except for certain amounts totaled HK\$6,656,000 (2023: HK\$3,523,000) that are denominated in HK\$.

*Notes:*

- (a) During the year ended 31 December 2024, the Group entered into a three-year advertising distribution contract from a prominent cinema chain in the PRC (Note 16). The balance represents payable for the remainder term of the advertising distribution right.
- (b) During the year ended 31 December 2024, a subsidiary of the Group entered into an placement marketing contract with a prominent cinema chain in the PRC, pursuant to which the subsidiary had an exclusive right to place direct marketing into film and television produced by the prominent cinema chain for a three-year term from 1 September 2024 to 31 August 2027. The balance represents the contractual amounts payable for the remainder term of the contract. As future economic benefits of the contract cannot be reasonably assured, the Group has fully expensed off the discounted value of the contract.

## 16 GOODWILL AND INTANGIBLE ASSETS

	<b>Goodwill</b> <i>HK\$'000</i>	<b>Customer relationship</b> <i>HK\$'000</i>	<b>Patent</b> <i>HK\$'000</i>	<b>Advertising distribution right</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>At 1 January 2023</b>					
Cost	134,377	32,736	24,209	–	191,322
Accumulated amortisation and impairment	<u>(134,377)</u>	<u>(16,467)</u>	<u>(4,884)</u>	<u>–</u>	<u>(155,728)</u>
Net book amount	<u>–</u>	<u>16,269</u>	<u>19,325</u>	<u>–</u>	<u>35,594</u>
<b>Year ended 31 December 2023</b>					
Opening net book amount	–	16,269	19,325	–	35,594
Amortisation charge	–	(2,769)	(2,051)	–	(4,820)
Impairment	–	(3,751)	–	–	(3,751)
Exchange differences	<u>–</u>	<u>(211)</u>	<u>–</u>	<u>–</u>	<u>(211)</u>
Closing net book amount	<u>–</u>	<u>9,538</u>	<u>17,274</u>	<u>–</u>	<u>26,812</u>
<b>At 31 December 2023</b>					
Cost	–	32,525	24,209	–	56,734
Accumulated amortisation and impairment	<u>–</u>	<u>(22,987)</u>	<u>(6,935)</u>	<u>–</u>	<u>(29,922)</u>
Net book amount	<u>–</u>	<u>9,538</u>	<u>17,274</u>	<u>–</u>	<u>26,812</u>
<b>Year ended 31 December 2024</b>					
Opening net book amount	–	9,538	17,274	–	26,812
Additions	–	–	–	439,441	439,441
Amortisation charge	–	(1,954)	(1,197)	(85,835)	(88,986)
Impairment	–	(4,690)	–	–	(4,690)
Disposal of a subsidiary ( <i>Note 9a</i> )	–	–	(16,077)	–	(16,077)
Exchange differences	<u>–</u>	<u>(174)</u>	<u>–</u>	<u>388</u>	<u>214</u>
Closing net book amount	<u>–</u>	<u>2,720</u>	<u>–</u>	<u>353,994</u>	<u>356,714</u>
<b>At 31 December 2024</b>					
Cost	–	32,351	24,209	439,829	496,389
Accumulated amortisation and impairment	<u>–</u>	<u>(29,631)</u>	<u>(24,209)</u>	<u>(85,835)</u>	<u>(139,675)</u>
Net book amount	<u>–</u>	<u>2,720</u>	<u>–</u>	<u>353,994</u>	<u>356,714</u>

During the year ended 31 December 2024, amortisation of intangible assets charged of HK\$85,835,000 (2023: Nil) and HK\$1,954,000 (2023: HK\$2,769,000) were included in cost of revenue and general and administrative expenses respectively.

The Group started Media advertising and marketing business in May 2024 through Zaigaung and its subsidiaries (the “Zaiguang CGU”). On 1 June 2024, Zaiguang entered into an agreement with a prominent cinema chain in the PRC to purchase a three-year advertising distribution right of the relevant cinemas, payable at a fixed sum of RMB159,000,000 (equivalent to HK\$172,483,000) annually for three years, plus a variable portion calculated at a certain percentage of the ticket box of the cinema chain of the respective years. Such advertising distribution right has been accounted for as an intangible asset of the Group since purchase.

### **Impairment assessments for goodwill and intangible assets**

Goodwill acquired through business combinations in previous years are allocated to CGUs, namely New Fortune Holdings Limited and its subsidiaries (the “New Fortune Group”, which is engaged in property leasing business) CGU, BYL Group CGU and Umitai CGU, for impairment assessment. The recoverable amounts of each CGUs are determined by reference to higher of the fair value less costs of disposal and value in use.

As at 31 December 2024 and 2023, the Group’s goodwill was fully impaired.

### ***Environmental maintenance business – BYL Group CGU***

The recoverable amount of the BYL Group CGU calculated based on VIU was determined based on valuation performed by CHFT Advisory and Appraisal Limited, an independent professional valuer. Such calculations use pre-tax cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The long-term growth rate of the CGU does not exceed the long-term average growth rate for the environmental maintenance business in which the CGU operates.

The key assumptions, long term growth rate and discount rate used in the VIU calculation of BYL Group CGU are disclosed as below:

	<b>2024</b>	2023
Long term growth rate	<b>2.0%</b>	2.0%
Pre-tax discount rate	<b>14.5%</b>	18.0%
Gross profit margin	<b>13.0%</b>	17.0%
Revenue growth rate	<b><u>(34.5%) to 8.0%</u></b>	<b><u>(6.5%) to 4.0%</u></b>

The VIU calculated, which was higher than its fair value less cost of disposal, fell short of the carrying amount by HK\$12,423,000 (2023: HK\$10,963,000). As a result, impairment charge of HK\$4,690,000 (2023: HK\$3,751,000) and HK\$7,733,000 (2023: HK\$7,212,000) have been charged to the BYL Group CGU's intangible assets and property, plant and equipment, respectively, as at 31 December 2024. Management is of the view that such impairment is mainly due to the slow recovery of environmental maintenance business as the post-pandemic economic landscape was still facing challenges from a complex mix of cyclical and structural factors. Management also exercised caution and was prudent to bid new projects, which resulted in decrease in the forecast performance.

If expected pre-tax discount rate for the projection period had been 0.5% higher than management's estimates with all other variables held constant, the recoverable amount of BYL Group CGU would have been approximately HK\$3,362,000 lower. If the revenue growth rate had been 5% lower than management's estimate at 31 December 2024 with all other variables held constant, the recoverable amount of BYL Group CGU would have been approximately HK\$2,941,000 lower. If the terminal growth rate had been 0.5% lower than management's estimate at 31 December 2024 with all other variables held constant, the recoverable amount of BYL Group CGU would have been approximately HK\$3,805,000 lower. If the average gross profit margin percentage had been 0.5% lower than management's estimate at 31 December 2024 with all other variables held constant, the recoverable amount of BYL Group CGU would have been approximately HK\$4,476,000 lower.

#### ***Media advertising and marketing business – Zaiguang CGU***

The recoverable amount of the Zaiguang CGU calculated based on VIU was determined based on valuation performed by management. Such calculations use pre-tax cash flow projections based on financial budget approved by management covering a three-year period.

The key assumptions and discount rate used in the VIU calculation of Zaiguang CGU are disclosed as below:

	<b>2024</b>
Pre-tax discount rate	<b>14.8%</b>
Gross profit margin	<b>26.5%</b>
	<b>(52.3%) to</b>
Revenue growth rate	<b><u><u>291.0%</u></u></b>

Based on the result of the impairment assessment performed, the recoverable amounts of Zaiguang CGU exceeded its carrying amounts. As a result, no impairment loss on Zaiguang CGU is required.

The recoverable amounts of Zaiguang CGU would still exceeded its remaining carrying amounts if the assumptions were changes as follows:

- Raising pre-tax discount rate by 3.0%;
- Lowering the expected gross profit margin during the forecast period by 1.0%; or
- Lowering the expected revenue growth rate during the forecast period by 1.2%.

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Assets as per consolidated balance sheet</b>		
<i>Financial assets at FVPL</i>		
Equity securities listed in Hong Kong	62,858	21,254
Equity securities listed outside Hong Kong	31,820	–
Unlisted equity investments	29	7,594
	<u>62,887</u>	<u>28,848</u>
<i>Financial assets at amortised cost</i>		
Trade receivables	140,731	152,833
Deposits and other receivables	32,417	6,840
Restricted cash	2,962	2,153
Cash and cash equivalents	210,486	245,234
	<u>376,606</u>	<u>397,060</u>
<b>Liabilities as per consolidated balance sheet</b>		
<i>Financial liabilities at amortised cost</i>		
Borrowings	8,206	–
Trade payables	14,425	20,528
Other payables	356,879	14,699
Deposits received	–	1,146
Consideration payable	57,278	58,530
Loan from a shareholder	119,085	–
Loans from related parties	11,277	–
Lease liabilities	5,634	3,718
	<u>542,710</u>	<u>98,411</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND OPERATIONAL REVIEW**

The Group engaged in three operating segments namely, Environmental maintenance business, Media advertising and marketing business, and Trading business. The executive directors of the Company assess the business performance based on a measure of operating results.

The Group's reportable segments for continuing operations are as follows:

- (i) Environmental maintenance business
- (ii) Media advertising and marketing business
- (iii) Trading business

The Group recorded a revenue of approximately HK\$294,721,000 for the year ended 31 December 2024 (the "Year") from continuing operations, compared to a restated revenue of approximately HK\$188,400,000 for the year ended 31 December 2023, representing a increase of approximately 56.4%. The increase was due to the increment of revenue from the trading business and the newly development of media advertising and marketing business which overcome the drop of revenue from the environmental maintenance business.

Gross profit for the Year amounted to approximately HK\$11,507,000 (2023: restated approximately HK\$17,677,000). After taking into account of the general and administrative expenses, selling and marketing expenses, net impairment loss on financial assets and contract assets, other income, other gains/(losses)-net, finance (cost)/income-net, income tax credit and profit/(loss) from discontinued operations, other comprehensive loss, the Group recorded total comprehensive loss attributable to the equity holders of the Company of approximately HK\$24,795,000 (2023: restated loss of approximately HK\$36,829,000).

### **Disposal of Medical devices business**

Taking into account the uncertain market and increasingly challenging operating environment in the selling of medical devices business and the unsatisfactory performance of sales of medical devices business (the “Disposed Company”), a strategic decision was taken and executed to dispose the Disposed Company (the “Disposal”).

On 30 April 2024, the Group entered into an agreement with an independent third party to dispose of the Disposed Company at a consideration of RMB22,500,000. As the disposed business is considered as a separate major line of business, the corresponding operations had been classified as discontinued operations as a result of the completion of such disposal.

The Board is of the view that the disposal serves as a good opportunity for the Group to cut loss and realise the investment in the Disposed Company and to dedicate its resources to other business segments of the Group. The Disposal also helps to streamline the business in order to improve the liquidity and overall financial position of the Group. The Company recorded gain on disposal for approximately HK\$26,723,000 for the Disposal.

## **Proposed disposal of Property leasing business**

On 10 January 2025, the Company entered into a disposal agreement with an independent third party, pursuant to which the Company conditionally agreed to sell and the independent third party, conditionally agreed to purchase, the sale shares at a consideration of HK\$77,525,000 (equivalent to RMB71,788,700). The disposal company, a direct wholly-owned subsidiary of the Company, is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The disposal group are principally engaged in the property leasing business. Completion is conditional upon the satisfaction of certain conditions precedents stipulated in the disposal agreement. As a result of the disposal agreement, the disposal group is no longer treated as subsidiaries of the Company and their financial results are not consolidated with the results of the Group.

As that disposed business is considered as a separate major line of business, the corresponding operations had been classified as discontinued operations.

## **Environmental Maintenance Business**

The environmental maintenance business is headquartered in Chengdu, and is penetrating into other regions in the PRC such as Xinjiang Autonomous Region and Inner Mongolia Autonomous Region. Its scope of services mainly includes (i) janitorial services for public areas in cities; (ii) classification management of solid waste, bulky garbage and food waste; and (iii) facility maintenance management of refuse collection points.

During the Year, the environmental maintenance business recorded a revenue of approximately HK\$132,607,000, compared to a revenue of approximately HK\$161,419,000 for the year ended 31 December 2023. The performance of environmental maintenance business decline in 2024, as the management exercised caution and was prudent to bid new projects, which resulted in decrease in revenue as there were no new projects secured in 2024.

After taking into account of the cost of revenue, impairment of financial assets, impairment of property, plant and equipment and administrative expenses, the environmental maintenance business recorded a segment loss in the amount of approximately HK\$42,811,000 (2023: segment loss of approximately HK\$10,053,000). The increment in segment loss is mainly attributable from the provision for loss allowance in trade receivable, which is classified as impairment of financial assets, amount to approximately HK\$29,783,000 (2023: reversal of approximately HK\$236,000).

As of 31 December 2024, the Group had a total of 7 (As of 31 December 2023: 9) environmental maintenance service contracts in progress with the total contract amount of approximately RMB232,290,000 (As of 31 December 2023: approximately RMB314,450,000) for the remaining contract term.

### **Media advertising and marketing business**

The Company started to engage in media advertisement and marketing business in the PRC in May 2024 and started to record revenues since June 2024. During the Year, the media advertising and marketing business recorded a revenue of approximately HK\$88,501,000.

After taking into account of the cost of revenue, selling and marketing expenses, administrative expenses and finance cost, the media advertising and marketing business recorded a segment loss in the amount of approximately HK\$79,408,000. Due to the overall sluggish flow market in the second half of the year of 2024, the performance of media advertising and marketing business was not as ideal as its budget.

### **Trading business**

During the Year, the trading business recorded revenue of approximately HK\$73,613,000 (2023: approximately HK\$26,981,000) which were solely contributed by the trading of cosmetic products. The trading of frozen meat business was terminated in the year of 2023.

After taking into account of the cost of revenue, selling and marketing expenses, and administrative expenses, the trading business recorded a turnaround segment profit in the amount of approximately HK\$33,959,000. (2023: segment loss of approximately HK\$2,281,000).

## Security Investment

During the Year, the Group invested in the security markets and recorded fair value gain upon disposal of financial assets at fair value through profit or loss in the amount of approximately HK\$14,418,000 (2023: gain of approximately HK\$2,312,000) and a fair value gain of financial assets at fair value through profit and loss in the amount of approximately HK\$10,140,000 (2023: loss of approximately HK\$4,573,000), both of which were classified as “Other gains/(losses) – net” in the consolidated statement of comprehensive income.

The extracted table below sets forth the performance of different financial assets during the Year:

Nature of financial assets	Name of the underlying company	Remarks	Value as at 1 January 2024 HK\$'000	Investment during the Year HK\$'000	Disposal during the Year HK\$'000	Realised gain for the Year HK\$'000	Unrealised fair value gain/(loss) for the Year HK\$'000	Market value as at 31 December 2024 HK\$'000	Size relative to total assets as at 31 December 2024
Unlisted Equity Investments	Pentamount Global SPC – Global Income SP	<i>a</i>	7,595	–	–	–	(7,566)	29	0%
Hong Kong Listed Equity Securities	A listed company which is one of the leading semiconductor foundries in the world	<i>b</i>	–	30,525	0	0	2,228	32,753	3.4%
Hong Kong Listed Equity Securities	A listed company which is engaged in the provision of advertising services	<i>b</i>	2,508	1,443	(10)	2	19,794	23,737	2.4%
Hong Kong Listed Equity Securities	Various listed companies in HK	<i>b</i>	18,745	72,609	(86,767)	4,694	(2,913)	6,368	0.7%
PRC Listed Equity Security	Various listed Company in PRC	<i>b</i>	–	63,146	(39,645)	9,722	(1,403)	31,820	3.3%
			<u>28,848</u>					<u>94,707</u>	

- a. The unlisted equity investments represented the investment in Pentamount Global SPC – Global Income SP in 2021. The investment objective of the segregated portfolio is to maximize capital appreciation by investing a wide range of instruments mainly in listed bond.
- b. The fair value of the listed equity securities is determined based on a quoted market bid price from the Stock Exchange in Hong Kong and PRC.

## FINANCIAL REVIEW

### Revenue

An analysis of the Group's revenue for the years ended 31 December 2024 and 31 December 2023 is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Environmental maintenance business</b>		
Services income for provision of environmental maintenance services	132,607	161,419
<b>Media advertising and marketing business</b>		
Advertising income for provision of media advertising and marketing business ( <i>Note</i> )	88,501	–
<b>Trading business</b>		
Trading of cosmetic products	73,613	19,986
Trading of frozen meat	–	6,995
<b>Total revenue</b>	<b><u>294,721</u></b>	<b><u>188,400</u></b>

*Note:* The Group started the media advertising and marketing business in May 2024 and mainly distributed advertisements of a PRC cinema chain to its customers pursuant to a three-year advertising distribution agreement entered into with the relevant party.

### ***Cost of Revenue***

The cost of revenue mainly comprised of advertising distribution right from the media advertising and marketing business, service fees to workers, material consumed, depreciation on machinery and motor vehicles, motor vehicles expenses and utilities expenses from the environmental maintenance business, and the cost of good sold for the trading business. Cost of revenue for the Year amounted to approximately HK\$283,214,000 (2023 restated: approximately HK\$170,723,000), representing an increase of approximately 65.9% as compared to last year. The increase in cost of revenue is in line with the increase of revenue.

### ***General and administrative expenses***

The Group's general and administrative expenses mainly consisted of (i) employee benefits expenses for staff; (ii) legal and professional fee; and (iii) other administrative expenses, which amounted to approximately HK\$60,709,000 (2023 restated: approximately HK\$43,290,000), representing an increase of approximately 40.2% compared to last year. The increase in general and administrative expenses was in line with the increase of revenue.

### ***Employee benefit expenses***

The Group had 455 staff and 481 labour, total 936 employees as at 31 December 2024 (31 December 2023: 787 staff and 1,022 labour, total 1,809 employees). The decrease in the number of employees is in mainly attributed from the environmental maintenance business. Total employee benefits expenses for the Year amounted to approximately HK\$115,364,000 (2023 restated: approximately HK\$102,211,000) representing an increase of approximately 12.9% compared to last year.

## **Liquidity, Financial Resources and Capital Resources**

### ***Capital structure***

The Group's objectives for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors its capital on the basis of the gearing ratio. The Group's strategy, which was unchanged during the Year, was to lower the gearing ratio to an acceptable level.

### ***Cash position and restricted cash***

As at 31 December 2024, the Group's cash and cash equivalents were approximately HK\$210,486,000, representing a decrease of 14.2% as compared to approximately HK\$245,234,000 as at 31 December 2023.

Restricted cash in the amount of approximately HK\$2,962,000 (2023: approximately HK\$2,153,000) were pledged as performance guarantee of various projects from the environmental maintenance business as at 31 December 2024.

### ***Intangible assets***

As at 31 December 2024, the Group's Intangible assets were approximately HK\$356,714,000, represent an increase of 1230.4% as compared to approximately HK\$26,812,000 as at 31 December 2023.

The increase of intangible assets is mainly attributed from the Media advertising and marketing business started in June 2024. On 1 June 2024, the Group entered into an agreement with a prominent cinema chain in the PRC to purchase a three-year advertising distribution right of the relevant cinemas, payable at a fixed sum of RMB159,000,000 (equivalent to HK\$172,483,000) annually for three years, plus a variable portion calculated at a certain percentage of the ticket box of the cinema chain of the respective years. Such advertising distribution right has been accounted for as an intangible asset of the Group since purchase.

### ***Trade receivables***

As at 31 December 2024, the Group's net trade receivables were approximately HK\$140,731,000 (2023: approximately HK\$152,833,000). The decrease in trade receivables is mainly in line with the decrease of revenue from the environmental maintenance business.

### ***Capital expenditure***

For the Year, the Group's capital expenditure was approximately HK\$440,201,000 (2023: approximately \$1,243,000) which was mainly used in the media advertising and marketing business.

### ***Gearing ratio***

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as consideration payable, lease liabilities, borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. As at 31 December 2024 and 31 December 2023, the Group is at a net cash position, hence, no gearing ratio is disclosed.

### ***Dividends***

The directors do not recommend payment of final dividends in respect of the years ended 31 December 2024 and 2023.

## **SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS**

### **Disposal of A Subsidiary**

On 30 April 2024, Aerospace Huatai Environmental Protection Co. Ltd, an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with Mr. Ho Wan Choi to dispose of the Group's 90% equity interest in Shanghai Umitai Medical Technology Co. Ltd (the "Disposed Company") at a consideration of RMB22,500,000.

The Group completed such disposal on 1 August 2024. Accordingly, the financial results of Disposed Company for the period from 1 January 2024 to 31 July 2024 were presented as "Discontinued Operations" in the accompanying consolidated statement of comprehensive income in accordance with HKFRS 5 "Non-current Assets Held for Sales and Discontinued Operations". Comparative figures for the year ended 31 December 2023 had been restated accordingly.

All the conditions precedent under the disposal agreement have been fulfilled and completion of the disposal took place on 1 August 2024. For details, please refer to the announcements of the Company dated 30 April 2024, 25 June 2024 and 1 August 2024.

Saved as disclosed above, there is no plan for material investments or capital assets as at 31 December 2024, and up to the date of this announcement.

## **Subsequent events**

### ***Proposed disposal of a subsidiary***

On 10 January 2025, the Group entered into a disposal agreement with an independent third party, pursuant to which the Group conditionally agreed to sell and the independent third party, conditionally agreed to purchase, the sale shares at a consideration of HK\$77,525,000 (equivalent to RMB71,788,700). The disposal company, a direct wholly-owned subsidiary of the Company, is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The disposal group are principally engaged in the property leasing business. Completion is conditional upon the satisfaction of certain conditions precedents stipulated in the disposal agreement. As a result of the disposal agreement, the disposal group are no longer treated as subsidiaries of the Group and their financial results are not consolidated with the results of the Group.

For details, please refer to the announcements of the Company dated 10 January 2025 and 10 March 2025.

Save as disclosed above, the Group had no significant subsequent events which needs to be disclosed as at December 31, 2024 and up to the date of this announcement.

## **Share Option**

### ***Share Option Scheme and Share Option***

The Company has adopted two share option schemes, namely, the 2013 Share Option Scheme which was adopted on 19 November 2013 and the 2021 Share Option Scheme which was adopted on 16 June 2021. The Schemes were adopted pursuant to resolutions passed by the Company's shareholders on 19 November 2013 and 16 June 2021 respectively for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group.

During the Year, no options had been granted, exercised, lapsed or forfeited from the 2013 Share Option Scheme and 2021 Share Option Scheme.

There were 40,000,000 and zero option respectively remained outstanding as at 31 December 2024 under the 2013 Share Option Scheme and 2021 Share Option Scheme.

### ***Share Award Scheme***

The Company has adopted a share award scheme (the “Share Award Scheme”) on 10 August 2021 (the “Adoption Date”). The purposes of the Share Award Scheme are (1) to recognise and reward the contribution of certain eligible participants to the growth and development of the Group and to give incentives in order to retain them for continual operation and development of the Group, and (2) to attract and retain suitable personnel for further development of the Group. The eligible participants under the Share Award Scheme include any employee of the Group or any invested entity and any non-executive directors (including independent non-executive directors) of the Group or any invested entity.

The maximum aggregated number of Shares permitted to be awarded under the Share Award Scheme (the “Awarded Shares”) throughout the 10-year duration of the Share Award Scheme is limited to 10% of the issued share capital of the Company as at the adoption date (the “Scheme Limit”). The maximum number of Awarded Shares which may be awarded to a selected participant under the Share Award Scheme should not exceed 3% of the issued share capital of the Company as at the adoption date (the “Individual Limit”). As at the date of this annual report, the Scheme Limit and Individual Limit are 79,500,000 shares and 23,850,000 shares, respectively, representing approximately 10% and 3% of the issued share capital of the Company, respectively. The remaining life of the Share Award Scheme was approximately 7 years.

No Awarded Shares has been granted to any Eligible Participants or vested since the adoption of the Share Award Scheme.

## **USE OF PROCEEDS**

The Company has not conducted any equity fund raising activities during the Year and subsequently after 31 December 2024. The use of proceeds from the 2020 Subscriptions is updated as follows:

### **Use of Proceeds from the 2020 Subscriptions**

Reference is made to the announcement of the Company dated 16 December 2019, 19 December 2019 and 7 January 2020 for the 2020 Subscription.

The net proceeds from the 2020 Subscription were approximately HK\$177,000,000 and the Company intends to apply the net proceeds in (i) the settlement of outstanding consideration payable for the acquisition of BYL Property Holdings Group Limited in 2018 (“Settlement of Consideration Payable”) amounting to approximately HK\$74,571,000 as at 31 December 2019; and (ii) general working capital as to the remaining balance. Up to the date of this announcement, the Company had paid approximately HK\$13,920,000 for the Settlement of outstanding consideration payable, with the remaining balance to be utilised as intended. Approximately HK\$102,429,000 has been utilised as general working capital as intended. The Group has no intention to change the use of proceeds from the 2020 Subscriptions.

## **PROSPECTS**

Since June 2024, the Group’s media advertising and marketing business in the PRC has started to record revenue. The business has established the brand of “Zaigaung Life”. In addition to media advertising, the business scope has also expanded to offline consumer scene marketing in shopping malls and cinemas across the country, covering the entire chain of consumers’ social and parent-child activities related to eating, drinking, playing and having fun. Through precise marketing and scenario-based experiences, it solves the pain points of brand customers such as difficulties in attracting customers into offline stores and low conversion rates. Through the business model of “customers to store + customers looking for goods”, it has become the core driving force for the growth curve of brand customers.

Zaigaung Life provides brand customers with effective comprehensive operation support for offline consumer scenarios, continuously strengthens the commercial closed loop of “precise marketing – driving traffic to store – consumer decision-making”, and has established an industry benchmark for digital services in offline scenarios.

Looking ahead, the Group will continue to utilize its available resources to carry out and develop its core business and newly developed businesses. In addition to the existing businesses, the Group will explore business opportunities in other industries such as high-growth businesses in China, bringing stable and continuous sources of revenue to the Group and creating long-term value for our shareholders.

## **CORPORATE GOVERNANCE**

The Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the Year. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the Year. The Board of the Company will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Further information on the Company’s corporate governance practices will be set out in the Corporate Governance Report contained in the Company’s annual report for the Year, which will be sent to the shareholders in due course.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Group had adopted Appendix C3 of the Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings.

Having made specific enquiries to all the directors and all the directors of the Company had confirmed compliance with the required standard of dealings and the code of conduct for directors’ securities transactions during the Year.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in this results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Except for the 2,956,000 ordinary shares of the Company acquired by the trustee of the Share Award Schemes, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the Year.

## **AUDIT COMMITTEE REVIEW**

Pursuant to the requirements of the CG Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") which comprises three independent non-executive directors. Mr. Lam Ka Tak is the chairman of the Audit Committee. The annual results for the Year have been reviewed by the Audit Committee.

## **COMPETING BUSINESS**

During the Year and up to the date of this announcement, the directors are not aware of any business or interest of the directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our customers, shareholders, bankers, and in turn the management and staff for their unreserved support for the Group during the Year.

By Order of the Board  
**Net-A-Go Technology Company Limited**  
**Sang Kangqiao**  
*Chairman and Executive Director*

Hong Kong, China, 28 March 2025

*As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao and Mr. Xu Wenzhe; the Non-executive Director is Ms. Chen Wenting; the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.*