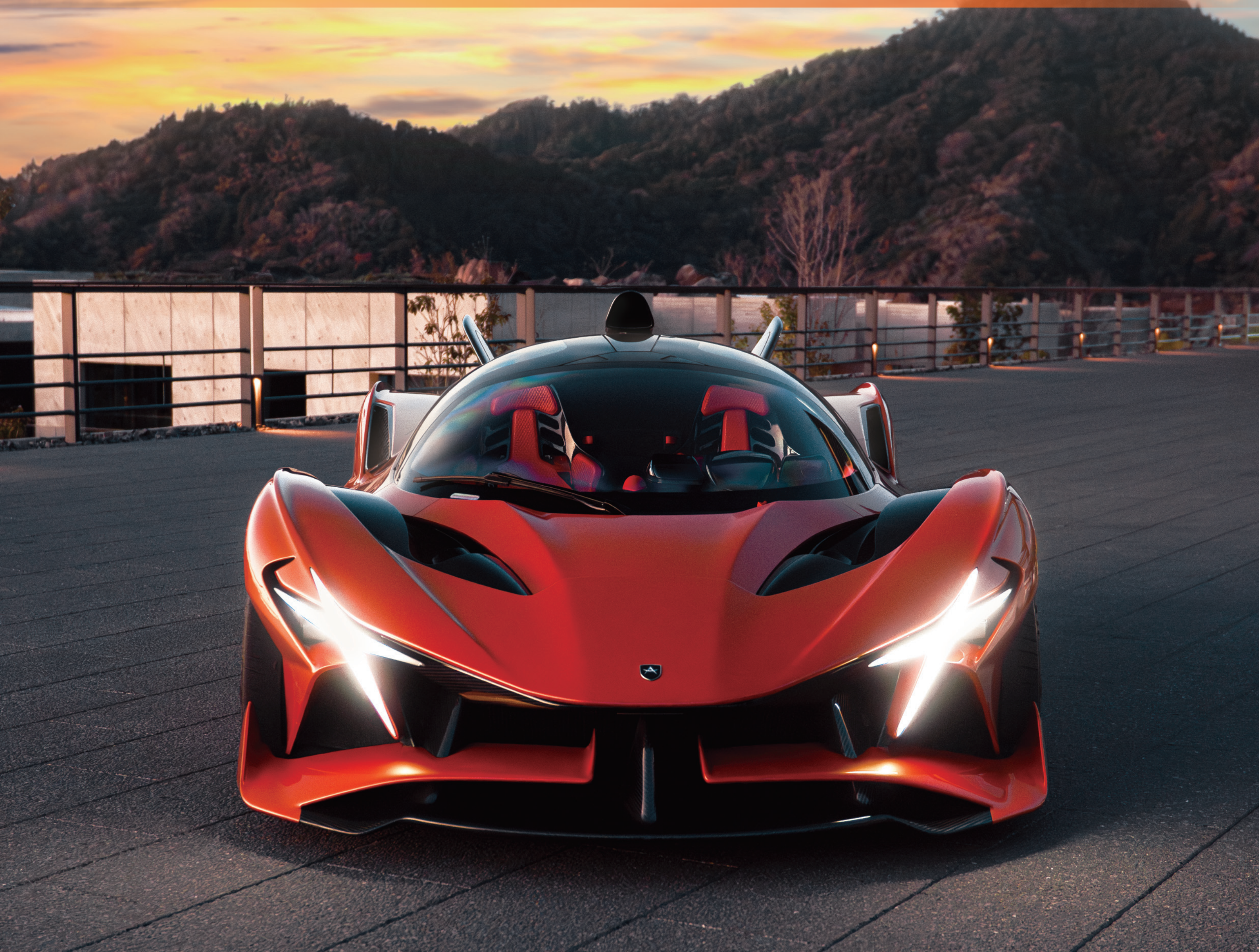
APOLLO FUTURE MOBILITY GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 860)

2024

ANNUAL REPORT



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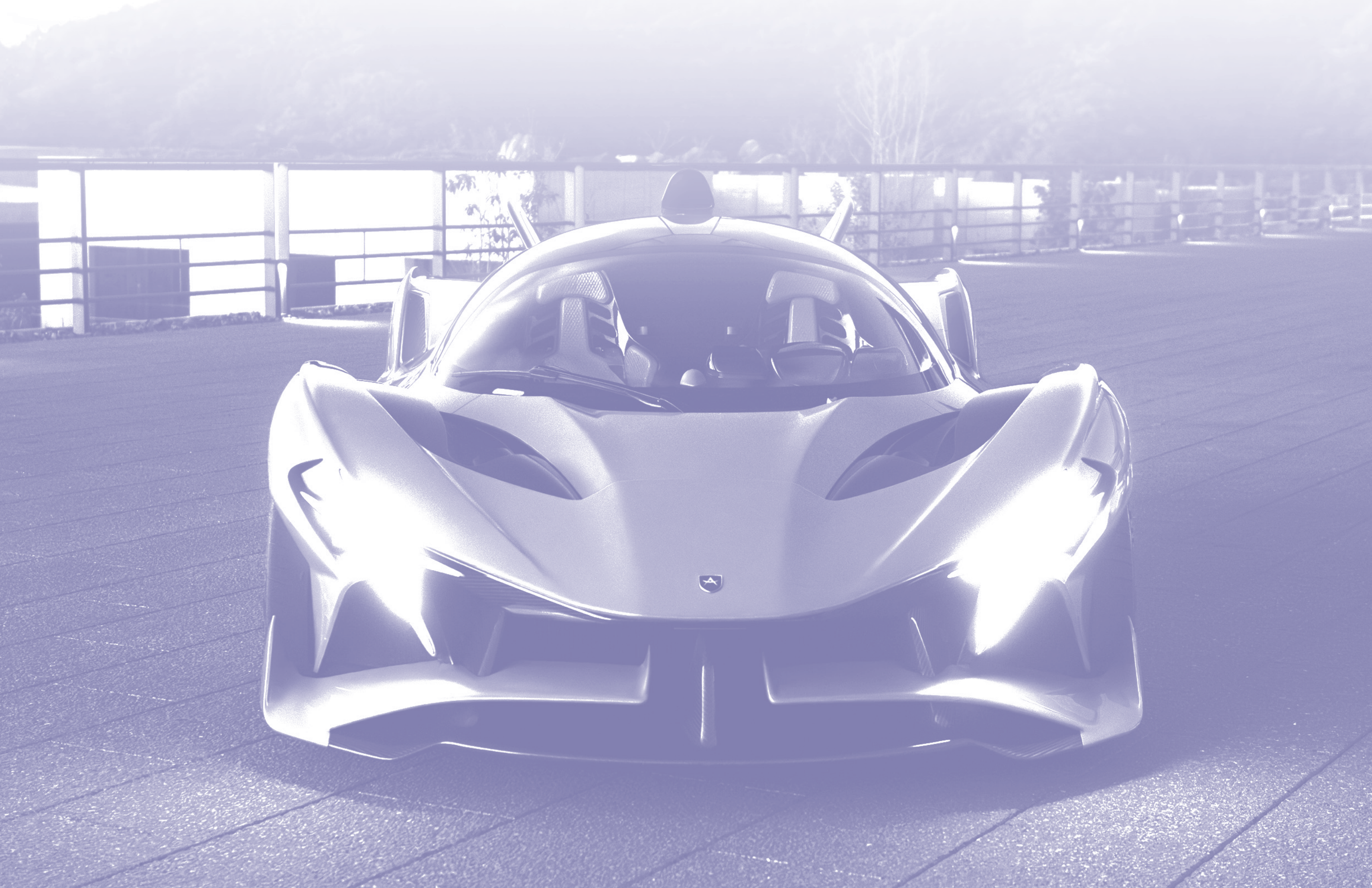

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Chun Ying *(Chairman)*
Ms. Chen Yizi

Independent Non-executive Directors

Mr. Teoh Chun Ming
(Resigned with effect from 13 June 2024)
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee

AUDIT COMMITTEE

Ms. Hau Yan Hannah Lee *(Chairperson)*
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III

REMUNERATION COMMITTEE

Mr. Charles Matthew Pecot III *(Chairman)*
Mr. Hui Chun Ying
Mr. Peter Edward Jackson
Ms. Hau Yan Hannah Lee

NOMINATION COMMITTEE

Mr. Hui Chun Ying *(Chairman)*
Ms. Chen Yizi
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee

INVESTMENT COMMITTEE

Mr. Hui Chun Ying *(Chairman)*
Ms. Chen Yizi
Ms. Hau Yan Hannah Lee

CORPORATE GOVERNANCE COMMITTEE

Ms. Chen Yizi *(Chairperson)*
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee

STOCK CODE

0860

COMPANY SECRETARY

Mr. Ng Cheuk Kwan

LEGAL ADVISOR

Holman Fenwick Willan

AUTHORISED REPRESENTATIVES

Mr. Hui Chun Ying
Mr. Ng Cheuk Kwan

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 2001–2002, 20/F, Li Po Chun Chambers
189 Des Voeux Road Central, Sheung Wan
Hong Kong

REGISTRARS

Principal Share Registrar and Transfer Office
Conyers Corporate Services (Bermuda) Limited
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Hong Kong Branch Share Registrar and Transfer Office
Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

WEBSITE

http://www.apollofmg.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my honor to deliver this statement as the Chairman of Apollo Future Mobility Group Limited (the "Company" and together with its subsidiaries, the "Group" or "we") in respect of the Group's annual results for the year ended 31 December 2024 (the "Year") and the Group's prospects.

INDUSTRY OVERVIEW

Hypercar Market

During the Year, the hypercar market maintained strong performance, with increased demand for high-performance vehicles, advancements in technologies, and the launch of new models. According to The Business Research Company, the global hypercar market experienced exponential growth, rising from US$19.16 billion in 2023 to US$25.6 billion in 2024, a year-on-year growth of 33.6%, and is expected to continue its exponential growth, reaching US$69.05 billion by 2028 at compound annual growth rate ("CAGR") of 28.2%.

This remarkable growth is largely driven by continuous technological advancements and the increasing appetite of ultra-high-net-worth consumers for exclusive, peak-performance vehicles. Hypercar automakers are innovating with lightweight composite materials, hybrid and electric powertrains and active aerodynamics, enhancing speed, efficiency, and safety. Such advancements, combined with a strong focus on luxury and cutting-edge engineering, are driving the expansion of the hypercar market and reinforcing its status as a symbol of prestige and innovation.

Nova One Advisor, a strategic market insights provider, reported that the hypercar market witnessed varied regional growth trends during the Year. While North America and Asia-Pacific emerged as key drivers of market expansion, Europe, which has traditionally dominated the hypercar market with a significant market share due to its established automotive industry and strong consumer base, is now stabilizing in growth as other regions gain momentum. That said, North America is expected to experience the fastest growth, fueled by increasing disposable incomes, the strong appetite for luxury high-performance vehicles, and technological advancements in the automotive sector. Meanwhile, the Asia-Pacific region is emerging as a significant player in the hypercar market, driven by rising wealth, economic development, and increasing investments in automotive infrastructure in countries like China and Japan. The Middle East market is also showing growth potential, particularly in countries such as the United Arab Emirates and Saudi Arabia, where demand for exclusive, peak-performance vehicles continues to rise.

High-end Vehicles and Luxury Vehicles

The global luxury vehicle market demonstrated notable dynamics in 2024. Projections from The Business Research Company reported that the luxury vehicle market grew from US$582.19 billion in 2023 to US$623.9 billion in 2024, reflecting a year-on-year growth of 7.2%. They forecast the market to reach US$672.26 billion in 2025, with a year-on-year growth of 7.8%, and anticipate it to further grow to US$920.17 billion by 2029, at a CAGR of 8.2%. Key trends including electrification and digitalization are reshaping the industry worldwide.

In the People's Republic of China (the "PRC"), the luxury vehicle market has become a significant segment of the automotive industry, where its market value was reported by Verified Market Research to be at approximately US$161.55 billion in 2024 and projected to reach US$189.28 billion by 2031, representing a growth at a CAGR of 2.0% during the forecast period. Echoing this, Mordor Intelligence, another globally recognized market research firm, highlighted the shift in the PRC market, where Chinese buyers are no longer solely focused on brand prestige but instead seek vehicles that offer a blend of performance, comfort, and advanced technology, prioritizing personalized luxury experiences and innovative features. The market is becoming more vibrant and diverse as domestic manufacturers expand their offerings by introducing a wider range of high-tech, performance-driven, and feature-rich vehicles that enhance drivability, efficiency, and safety. Notably, Chinese automakers are rapidly closing the gap with established global luxury brands, reshaping the competitive landscape and redefining the expectations of modern luxury vehicles, and this trend is expected to continue.

CHAIRMAN'S STATEMENT

New Energy Vehicles

The global new energy vehicle ("NEV(s)") market continued to grow rapidly in 2024, driven by government policies, technological advancements, and changing consumer preferences. A report by Grand View Research shows that the NEV market was valued at approximately US$1,328.08 billion in 2024 and projects a CAGR of 32.5% between 2025 and 2030. While this growth is largely attributed to the increased adoption of sustainable transport solutions, stricter emissions regulations, and rising fuel costs, which have prompted more consumers to switch to NEVs, the introduction of more affordable models and the improvements in charging infrastructure have also supported this trend.

Building on the rapid growth of the global NEV market, the NEV market in the PRC remained and strengthened its leading position in 2024 with unprecedented production scale and sales figures, driven by favorable policies, infrastructure investments, and intense competition among domestic automakers. These developments further consolidated China's pivotal role in shaping the future of the global NEV industry and its ongoing commitment to sustainable mobility.

With more than 11 million NEVs sold during the Year, the PRC market accounted for nearly two-thirds of global NEV registrations. Sales increased by over 40% compared to the previous year, reflecting strong domestic demand and the country's commitment to electrification. The surge in sales was driven by both battery electric vehicles ("BEV(s)") and plug-in hybrid electric vehicles ("PHEV(s)"), with the latter gaining popularity due to their extended driving range and flexibility.

Amid the strong performance in the PRC, the NEV industry showed mixed results in Europe and the United States ("US") in 2024, where both regions continued to make strides in promoting new energy mobility but faced challenges that slowed the pace of NEV adoption. While economic conditions and changes in government incentives impacted sales, positive developments such as increased hybrid adoption in Europe and rising consumer demand in the US indicate that both markets remain on a steady path toward electrification.

BUSINESS REVIEW

Apollo Hypercar

The Apollo Intensa Emozione ("Apollo IE"), translating to "Intense Emotion" from Italian, is a hypercar that embodies the essence of pure, unfiltered driving experience. Created for enthusiasts who value raw performance over digital interference, Apollo IE distinguishes itself with a focus on mechanical precision and emotional engagement. Its advanced suspension system, aerodynamic design, high-performance braking, and finely tuned powertrain work together to deliver seamless power output and exceptional durability, ensuring an exhilarating and responsive driving experience. Built with lightweight carbon fiber and race-inspired engineering, Apollo IE generates significant downforce for superior stability and handling at high speeds. With its dramatic design and focus on crafting an analog driving experience in an increasingly digital world, Apollo IE represents a unique achievement in the hypercar segment, blending speed, cutting-edge technology, and exclusivity into a car that appeals to purists seeking the ultimate connection between the driver and the machine.

During the Year, the final two Apollo IE hypercars were delivered to esteemed clients in Japan and the US, marking the completion of the limited 10-unit production run. This milestone signified the successful conclusion of Apollo IE's exclusive production, solidifying its legacy as a highly sought-after hypercar renowned for its craftsmanship, innovation, and unmatched driving experience.

CHAIRMAN'S STATEMENT

Building on the legacy and engineering excellence of the acclaimed Apollo IE hypercar, its successor, Apollo EVO advances its predecessor's success, and emerges as a highly anticipated masterpiece that raises the bar in both design and performance. With a pioneering carbon fiber monocoque body at its core, Apollo EVO embodies a unique blend of lightweight construction and exceptional durability, resulting in remarkable handling dynamics on the road. It also features a radical aerodynamic profile that seamlessly combines artistic expression with engineering precision, making it both visually striking and functionally superior in breaking away from conventional hypercar design norms.

Apollo EVO is positioned to capture the attention of automotive enthusiasts worldwide. With the proceeds received from the 2024 January Subscription (as defined below), the 2024 March Subscription (as defined below) and the CB Subscription (as defined below) and the proceeds to be received from the disposal of Divergent (as defined below), the Group has during the Year invested and will continue to invest in its research and development in order to equip Apollo's hypercar line-up with cutting-edge technology and ensure unmatched performance.

Global Presence

The Group continues to strengthen the brand's global footprint, showcasing its appeal to aficionados and collectors across key international markets. In 2024, Apollo EVO was prominently featured at the prestigious Wynn Signature — 2024 Hypercar Exhibition held at Wynn Macau and Wynn Palace in Macau. This exclusive event, running from 1 August 2024 to 13 October 2024, showcased 30 of the world's rarest and most luxurious hypercars, collectively valued at over HK$1.5 billion. The event provided visitors with an up-close look at Apollo EVO's cutting-edge technology and breathtaking design.

The Group also participated in an exclusive track day event in Japan which was held at the Magarigawa Club, a premier private members' driving club known for its state-of-the-art facilities, and the renowned Fuji Speedway, a challenging circuit being famous for its rich motorsport history. During these events, customers, enthusiasts and market participants had opportunity to experience both the Apollo IE and the Apollo EVO firsthand. To engage with a global audience and to solidify Apollo's reputation as a developer of high-performance, ultra-exclusive hypercars, participants were demonstrated with the hypercars' exceptional performance and engineering in dynamic track environments.

Brand Licensing

During the Year, the Group took a significant step in expanding its presence in the digital and e-sports world by featuring the Apollo IE and Apollo EVO in popular virtual racing games, for instance displaying the Apollo IE at Gamescom 2024 in Cologne, Germany. As one of the world's largest gaming events, Gamescom attracts hundreds of thousands of visitors and millions of online viewers, providing a powerful platform to showcase the Group's hypercars to the wider global audience. This initiative therefore marked a stepped-up effort for the brand's involvement in virtual racing, building on its earlier collaborations with leading Chinese and global e-sports companies to engage with tech-savvy audiences in Asia. By making Apollo IE and Apollo EVO hypercars readily accessible to gamers, the Group is effectively cultivating brand loyalty among a younger, digitally connected demographic and strengthening its reputation in both the automotive and virtual racing communities. Ultimately, the licensing of these high-performance vehicles for e-sports games not only enhances brand visibility but also reinforces the Group's commitment to innovation and next-generation engagement.

CHAIRMAN'S STATEMENT

Mobility Development and Engineering Services

The Group, operating under its subsidiary GLM Co., Ltd. ("GLM"), remains dedicated to providing an extensive array of mobility development and engineering services. As the inaugural electric vehicles manufacturer certified by the Japanese Ministry of Transportation, GLM offers a spectrum of services, including the development of its own branded electric vehicle ("EV") models and offering value-added, mid-tier manufacturing technology platform original equipment manufacturer ("OEM") engineering services to assist other automakers in their endeavors to penetrate the Japanese market.

Japan's compact NEV market experienced significant growth in recent years, driven by increasing environmental awareness, government incentives, and advancements in NEV technology. According to Mordor Intelligence, as of 2024, Japan's NEV market was valued at approximately US$43.32 billion, and is projected to reach about US$94.51 billion by 2029.

With the NEV market in Japan showing steady growth, the Japanese government has taken a decisive step with the target to phase out gasoline-only vehicles by 2035, by then new cars will be electrified — ranging from electric vehicles to hybrids and fuel cell vehicles. To support this transition, the Japanese government implemented subsidies and incentives to promote the adoption of clean EVs, contributing to the broader goal of net-zero greenhouse gas emissions. The favorable policies are expected to accelerate the transition of consumers towards compact NEVs, creating a promising environment for the industry to flourish.

During the Year, GLM's holistic automotive engineering services, encompassing vehicle development, testing, and certification as well as customizations for interior and exterior designs for both Chinese and international automakers; coupled with its extensive expertise in EV technology development, robust research, development capabilities, and cutting-edge technologies, have evidently played a crucial role in aiding overseas automakers in adapting and upgrading their models to meet the safety standards of the Japanese automotive industry, facilitating the acquisition of certifications and government subsidies in Japan. Through the provision of professional technical support, GLM ensures that orders from Japanese clients are secured and assists its partners in entering the competitive Japanese automotive market, enabling international automakers to establish a localized presence and thrive in Japan.

Other Corporate Developments

Completion of New Shares Placement

On 15 January 2024, the Company entered into a subscription agreement with Ruby Charm Investment Limited ("Ruby Charm"), pursuant to which Ruby Charm has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 96,130,985 Shares at the subscription price of HK$0.51 per Share (the "2024 January Subscription"). The completion of the 2024 January Subscription took place on 24 January 2024 and a total number of 96,130,985 Shares were allotted and issued to Ruby Charm. Further details of the 2024 January Subscription are set out in the announcements of the Company dated 15 January 2024 and 24 January 2024.

On 15 March 2024, the Company entered into a subscription agreement with each of Ruby Charm, Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), Walong Holdings Limited, Talent Frontier Limited, Vivaldi International Limited, Ocean Dynasty Investments Limited, Goldrank Limited, Sino-Alliance International, Ltd. and Top Laurels Limited (collectively the "Subscribers") respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 445,652,177 Shares at the subscription price of HK$0.46 per Share (the "2024 March Subscription").

The completion of the 2024 March Subscription took place on 13 May 2024 and a total number of 445,652,177 Shares were allotted and issued to the Subscribers. Further details of the 2024 March Subscription are set out in the announcements of the Company dated 15 March 2024 and 13 May 2024 and the circular of the Company dated 18 April 2024. Following the completion of the 2024 January Subscription and the 2024 March Subscription, the Company's shareholding structure has been optimized, infusing fresh vitality and instilling confidence into the Company's long-term trajectory.

Disposal of Divergent Technologies Inc.

On 26 July 2024, the Company and its direct wholly-owned subsidiary, Global 3D Printing Co Ltd (both being vendors) entered into a sale and purchase agreement to dispose an aggregate of 4,931,588 preferred shares of Divergent Technologies Inc. ("Divergent") owned by the Group, representing approximately 12.87% of the total issued shares of Divergent, for a total consideration of US$101,533,292.15 (equivalent to approximately HK$793.0 million). The Company is anticipated to receive net proceeds of approximately HK$790.0 million from the disposal. Out of such net proceeds, approximately HK$711.0 million will be allocated for research and development of hypercars and EVs, while the remaining HK$79.0 million will be designated for general working capital purpose. The disposal serves as an opportunity for the Company to exit from the investment in Divergent, enabling the Group to redeploy its resources and efforts to the Group's core mobility technology solutions business, ensuring that the Group continues to thrive in the dynamic and competitive automotive industry. The Group has during the Year invested and will continue to invest more effort in research, development and promotion of the new hypercars and NEVs, as well as closely monitor the on-going market trend and customers' preferences in order to ensure the design and quality of the Group's hypercars and NEVs are keeping abreast of the market. On the other hand, the Group will proactively explore new business opportunities and promising projects for its mobility development and platform engineering services to meet the specific needs of its clients, thereby enhancing the Group's financial performance and providing for the long-term viability of the Company. Further details of the disposal of Divergent are set out in the announcement of the Company dated 7 August 2024 and the circular of the Company dated 21 August 2024.

Convertible Bonds Issuance

On 6 December 2024, the Company entered into a subscription agreement with Ning Shing (Holdings) Company Limited (the "CB Subscriber"), pursuant to which the Company has conditionally agreed to issue to the CB Subscriber, and the CB Subscriber has conditionally agreed to subscribe for, 5% convertible bonds of the Company due 2026 in the principal amount of HK$300 million under a general mandate, bearing interest at the rate of 5% per annum payable semi-annually from the issue date (the "Convertible Bonds"), which may be converted into not more than 194,804,000 Shares based on the initial conversion price of HK$1.54 upon full conversion (the "CB Subscription"). The net proceeds from the CB Subscription of approximately HK$299.2 million are intended to be used for research and development of hypercars and EVs (approximately HK$269.3 million) and general working capital including salary payment, legal and professional fees and other general corporate purposes (approximately HK$29.9 million). The issuance of convertible bonds reflects the Group's strategic intent to capitalize on the growing global demand for high-performance hypercars due to surging popularity of motorsports and increasing consumer interest in cutting-edge mobility solutions. By raising funds to invest in research and development, the Group aims to accelerate its transformation into a leading mobility services provider, enabling the Group to unveil next-generation hypercar concepts and advanced EV technologies, amplifying market interest, and reinforcing its competitive edge in the rapidly evolving automotive landscape.

CHAIRMAN'S STATEMENT

The completion of the CB Subscription took place on 18 December 2024. Further details in relation to the CB Subscription are set out in the announcements of the Company dated 6 December 2024, 10 December 2024 and 18 December 2024.

PROSPECTS AND OUTLOOK

The global hypercar market is on a trajectory of remarkable growth, with its value projected to reach US$84.76 billion by 2029 at a robust CAGR of 26.0% between 2025 and 2029 due to advancements in automotive technology, including cutting-edge designs, superior materials, and unmatched performance capabilities that continually captivate enthusiasts and collectors. Moreover, the exclusivity and aspirational nature of hypercars, coupled with strong demand from ultra-high-net-worth individuals and luxury markets worldwide, ensure the strength of the hypercar market in the coming years. Recognizing this momentum, the Group is firmly dedicated to capitalizing on these opportunities to create hypercars that align with the vision and expectations of its clientele, further redefining the standards of luxury and performance.

Apollo EVO, as the legendary successor to the Apollo IE, carries forward the prestige and heritage of an unconventional hypercar while introducing cutting-edge advancements that redefine the standards of high-performance vehicles. Sharing the same DNA of exclusivity and innovation, Apollo EVO is a testament to the Group's vision of delivering groundbreaking design and unmatched engineering to our elite clientele. With bold aesthetics, advanced aerodynamics, and driver-focused performance, Apollo EVO redefines the hypercar experience, blending artistry and cutting-edge technology to embody luxury and innovation. With the proceeds received from the 2024 January Subscription, the 2024 March Subscription and the CB Subscription and the proceeds to be received from the disposal of Divergent, the Group has during the Year invested and will continue to invest in its research and development in order to equip Apollo's hypercar line-up with cutting-edge technology and ensure unmatched performance. The Group believes that Apollo EVO and its future successors will continue to strengthen its dominance in the luxury automotive industry, cementing its legacy of crafting iconic hypercars.

The Group's venture into the luxury NEV market leverages its renowned expertise and legacy of excellence among hypercar enthusiasts. Building on its reputation for crafting high-performance luxury vehicles, the Group is poised to redefine the premium NEV segment. The global luxury NEV market, which is projected to grow significantly beyond 2025 due to increasing demand for sustainable yet high-end mobility solutions, provides a promising backdrop for the Group's offerings. These vehicles will seamlessly blend advanced technology, sustainable design, and the same uncompromising craftsmanship that distinguishes Apollo's hypercars. By infusing its luxury NEVs with its hallmark passion for engineering excellence and attention to detail, the Group is confident that its luxury NEVs will resonate with both traditional enthusiasts and environmentally conscious consumers, further cementing Apollo's status as the frontrunner in the evolution of high-performance and sustainable mobility.

CHAIRMAN'S STATEMENT

The Group is entering into a new phase of growth and innovation, solidifying its role as a trailblazer in the mobility industry. Through its dedication to advancing technology, refining design, and expanding its market presence, the Group has laid the groundwork for future success. The new capital raised from the 2024 January Subscription, the 2024 March Subscription and the CB Subscription also empowers the Group to accelerate its research and development efforts, driving forward projects that blend luxury, performance, and sustainability. With its continued focus on delivering value and innovation, the Group is well-positioned to capitalize on emerging opportunities and shape the future of high-performance and sustainable mobility, ensuring continued progress and excellence in the years to come.

Hui Chun Ying
Chairman and Executive Director
APOLLO FUTURE MOBILITY GROUP LIMITED
Hong Kong
31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2024, the revenue of the Group increased by approximately 21.8% to approximately HK$340.2 million as compared to approximately HK$279.2 million for the year ended 31 December 2023. The revenue comprised revenue from mobility services segment of approximately HK$40.6 million (2023: HK$14.2 million), sales of jewellery products, watches and other commodities of approximately HK$291.0 million (2023: HK$237.4 million), and interest income from loan financing of approximately HK$8.6 million (2023: HK$27.6 million). During the Year, revenue from mobility services segment increased mainly due to the delivery of the remaining two Apollo IE hypercars to distinguished clients in Japan and the US. Sales of jewellery products, watches, and other commodities increased during the Year as more appealing prices were introduced to boost sales. Interest income from loan financing decreased during the Year mainly due to the disposal of a subsidiary, which was principally engaged in the money lending business, in July 2023.

The Group's gross profit amounted to approximately HK$15.7 million for the Year as compared to approximately HK$63.1 million for the year ended 31 December 2023. The gross profit margin decreased to approximately 4.6% for the Year (2023: 22.6%) mainly due to (i) the decrease in interest income from loan financing which contributed to a high gross profit margin; and (ii) the decrease in gross profit margin of jewellery products, watches and other commodities segment during the Year.

General and administrative expenses decreased by approximately 7.2% to approximately HK$149.4 million (2023: HK$161.0 million) mainly due to (i) the disposal of certain subsidiaries of the Group in 2023, of which their financial results were reflected in the Group's financial statements for the year ended 31 December 2023 to the respective disposal dates; and (ii) the cost-cutting measures adopted by the Group during the Year.

Other losses, net mainly comprised: (i) the fair value losses of approximately HK$327.2 million (2023: fair value gains of HK$72.7 million) on financial assets at fair value through profit or loss, net, which was mainly due to the fair value losses on the investments in EV Power and Divergent; and (ii) the impairment of certain assets, including goodwill of approximately HK$646.1 million (2023: HK$410.2 million), loans receivable of approximately HK$70.1 million (2023: HK$97.2 million) and other receivables of approximately HK$201.3 million (2023: HK$179.1 million).

Impairment of goodwill

As at 31 December 2024, the Group had goodwill acquired through business combinations allocated to the mobility technology solutions cash-generating units of the Group. The Group performs its annual impairment test on goodwill in accordance with the relevant accounting standard with the assistance of an external independent valuer. Impairment of goodwill of approximately HK$646.1 million for the Year (2023: HK$410.2 million) was recognised mainly due to (i) the increasing competitive business landscape in the mobility industry, including the increase in competition in high performance electric vehicles in the PRC market which affected the potential application of the technologies/know-hows of the relevant business unit, (ii) the uncertainty in the global economic environment including the increasing global tensions which may in turn affect the Group's supply chain; and (iii) the ongoing deterioration of the global economy. Further details of the impairment of goodwill are set out in the notes to the consolidated financial statements.

Impairment of other receivables and loan receivables

The Group recognised impairment losses on its other receivables and loan receivables in accordance with the expected credit loss ("ECL") model under HKFRS 9 with the assistance of an external independent valuer.

Impairment of other receivables of approximately HK$201.3 million recognised for the Year comprised the impairment of (i) promissory note receivable of approximately HK$165.3 million; and (ii) consideration receivable of approximately HK$35.9 million, mainly due to (i) the current financial conditions of the counterparties; (ii) the ongoing uncertainties in the global economy which may affect the future financial conditions of the counter parties; and (iii) the long aging of the consideration receivable. Further details of the other receivables and the respective impairment are set out in the notes to the consolidated financial statements.

Impairment of loan receivables of approximately HK$70.1 million was recognised for the Year. During the Year, certain loan receivables were transferred from Stage 1 to Stage 2 or Stage 1 to Stage 3 under the ECL model as the loan receivables had a significant increase in credit risk or became credit-impaired after considering (i) the financial standing of the borrowers and the guarantors, (ii) past repayment history of the borrowers; and (iii) ongoing uncertainties in the global economy. Further details of the impairment of loan receivables are set out in the notes to the consolidated financial statements.

Overall, the loss attributable to owners of the Company for the Year was approximately HK$1,538.3 million (2023: HK$860.5 million) due to the reasons as explained above.

Significant Investments Held

Details of significant investments held by the Group were set out as follows:

	As at 31 December 2024				For the year ended 31 December 2024			Fair value		
	Number of preferred shares held '000	% of preferred shares held in such investee %	Percentage to the Group's total assets %	Fair value Loss HK$'000	Share of profit of associate HK$'000	Dividend HK$'000	De-recognition HK$'000	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000	Investment cost HK$'000
Investment Details										
EV Power Preferred shares	142,820	33.23	14.35	(192,726)	48,216	–	–	380,206	524,716	407,679
Divergent Preference shares	4,275	12.97	22.97	(123,378)	–	–	(117,000)	658,635	899,013	469,378

(i) Investment in EV Power Holdings Limited ("EV Power")

EV Power and its subsidiaries are principally engaged in the provision of convenient, safe and cost-effective EV charging solutions in Hong Kong, Indonesia and the PRC. EV Power is China's largest charging point operator in terms of number of charging sites in operation in residential areas. It operates over 7,500 charging sites and over 38,000 charging piles (or 73,000 charging bays), covering over 70 cities in the PRC. The Group's investment in EV Power represents an opportunity for the Group to create strong synergies with EV Power through the Group's proprietary EV technologies and thereby completing the full value chain of mobility.

(ii) Investment in Divergent Technologies Inc. ("Divergent")

Divergent is a company based in the US which uses three-dimensional ("3D") metal printing technology through its patented hardware and software platform to conduct research, design, development and production of 3D printed vehicle structures. Not only does the patented digital manufacturing system radically reduces capital needs and design risks, it also reduces product cycle time and increases market response. The Group believes that the investment in Divergent will create synergies with the Group's mobility businesses by vastly improving existing factory economics of automobile OEMs.

On 26 July 2024, the Group entered into a sale and purchase agreement to conditionally dispose of its entire interest in Divergent. Further details are set out in the section headed "Material Acquisitions or Disposals" below.

MONEY LENDING BUSINESS

Business model

The Group engages in money lending business through a wholly-owned subsidiary which holds a money lenders licence in Hong Kong (the "Money Lending Segment") with the aim of increasing the return of capital of the Group by utilizing the Group's internal resources to generate additional revenue for the shareholders of the Company (the "Shareholders") under acceptable and controllable levels of risk.

As at 31 December 2024, the Money Lending Segment had outstanding loans to two corporate borrowers and two individual borrowers, with an average loan size of approximately HK$45.8 million each. The loans receivable of the Money Lending Segment had loan tenure ranging from 1 year to 2 years and bore interest at rates ranging from 6% to 8% per annum. Such borrowers were mainly referred to the Money Lending Segment by business partners and existing borrowers and were all independent third parties of the Company. The Money Lending Segment does not solicit borrowers publicly and only uses funds generated from its business operations to fund its Money Lending Segment.

The table below shows the list of borrowers of the loans receivable (net of loans impairment) of the Money Lending Segment as at 31 December 2024.

	Outstanding loan amount as at 31 December 2024 HK$'000
Borrowers as at 31 December 2024	
Corporate borrowers	
Customer A	20,250
Customer B	60,316
Individual borrowers	
Customer C	5,045
Customer D	29,796
	115,407

The aging analysis of the Money Lending Segment's loans receivables (net of loans impairment) is as follows:

	As at 31 December 2024 HK$'000
Loans receivable repayable:	
Within one year	85,835
In the second year	29,572
	115,407

As the Group aims to focus on the development of its mobility technology solutions business going forward, it currently only uses its internal financial resources for the provision of loan financing and plans to gradually scale down the Money Lending Segment further over time.

Credit risk assessment policy

The Money Lending Segment has designated a team responsible for operating and monitoring the money lending business (the "Money Lending Team"). After identifying potential borrowers, the Money Lending Team is responsible for performing credit evaluations on them. The credit evaluation procedures include (i) engaging independent credit management service agents to prepare credit reports on each of the borrowers and guarantors; (ii) understanding the background and business operations of the borrowers; (iii) reviewing historical credit records of the borrowers and guarantors; (iv) assessing the repayment ability of the borrowers through understanding the liquidity and financial conditions of the borrowers and guarantors; and (v) assessing the validity and value of the collaterals, if applicable. As at 31 December 2024, approximately 12.33%, 42.58% and 42.33% of the gross carrying amount of loans receivable were secured by personal guarantee, corporate guarantee and collateral, respectively.

Loans impairment assessment

As at 31 December 2024, the Money Lending Segment has provided an impairment allowance of approximately HK$67,786,000 on the gross loans receivable of approximately HK$183,193,000. The impairment allowance is made in accordance with the ECL model under HKFRS 9.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Money Lending Segment expects to receive, discounted at an approximation of the original effective interest rate. As at each reporting date, the Money Lending Segment assesses whether the credit risk on the loans receivable has increased significantly since initial recognition. When making the assessment, the Money Lending Segment compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, including historical and forward-looking information. For loans with no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those loans with a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Money Lending Segment engaged an independent external valuer (the "Valuer") to assist in the assessment of the ECL of the loans receivable. Based on relevant and available information, which includes past repayment history of the borrowers, value of collaterals, data as cited in external research reports, macroeconomic factors and other qualitative information available to the Money Lending Segment, the Valuer assisted the Group in estimating the amount of ECL of the loans receivables. The Valuer concluded that as at 31 December 2024, the loss allowance for approximately HK$82,606,000 and HK$100,587,000 of the loans receivable should be measured based on 12-month ECLs and lifetime ECLs, respectively, and accordingly a total of approximately HK$67,786,000 of ECL allowance was provided. The ECL allowance as at 31 December 2023 was approximately HK$7,940,000. The increase in the ECL allowance of approximately HK$59,846,000 (representing an increase of approximately 753.7%) as at 31 December 2024 was mainly due to the impairment losses recognised for the Year.

The loans receivable of Money Lending Segment will be written off when the Money Lending Segment considers that there is no reasonable expectation of recovering the contractual cash flows. When assessing the recoverability of the loans, the Money Lending Segment considers both quantitative and qualitative information and analysis relevant and available, based on the Money Lending Segment's historical experience and credit risk assessment. As at 31 December 2024, none of the loans receivable were written off.

Internal control

In order to minimise credit risk, the Money Lending Segment maintains strict internal control over its money lending business. In addition to the Money Lending Team, the Money Lending Segment has designated a committee (the "Money Lending Committee") comprising the board of directors of the subsidiary engaged in the money lending business to oversee the money lending business and approve proposals of the Money Lending Team.

Upon the completion of credit assessment procedures, the Money Lending Team will propose loan terms, which include loan size, loan tenure, interest rate, guarantee and collateral, with reference to the prime lending rate offered by commercials banks, prevailing interest rates offered by other money lending institutions in the market and internal credit risk rating of the borrowers and ensure that the Company complies with the applicable rules and regulations. The proposed loans will then be passed to the Money Lending Committee for review and approval. The Money Lending Team is also responsible for the ongoing monitoring of the recoverability of the loans, which includes obtaining updates on the statuses of the loans receivable, borrowers and guarantors on a quarterly basis, and reporting significant findings to the Money Lending Committee. In case of overdue loans, the Money Lending Team will report to the Money Lending Committee and provide regular updates on a monthly basis on the progress of recovering the outstanding loans. The Money Lending Team will proactively contact the borrowers to understand the reasons for overdue repayments and assess the repayment ability of the borrowers by considering factors including but not limited to the business, financial and economic conditions that may affect the repayment ability of the borrowers; actual and expected financial performance and cashflows of the borrowers; and probability of the borrowers entering into bankruptcy or other financial reorganisation. After assessing the repayment ability of the borrowers, the Money Lending Team may choose to negotiate new repayment schedules with the borrowers if the underlying default risk is considered to be acceptable. For overdue cases which are considered to have significant default risk, the Money Lending Committee will engage external legal advisors to assist in issuing demand letters to borrowers demanding for repayment of the outstanding amount and advising the Company on (where necessary) the appropriate legal actions required for the enforcement of the loan repayment and collateral.

Liquidity, Financial Resources and Gearing

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately HK$464.8 million (31 December 2023: HK$64.3 million), which were mainly denominated in HK$, Renminbi ("RMB"), Euro ("EUR") and Japanese Yen ("JPY"). The total current assets and total current liabilities of the Group as at 31 December 2024 were approximately HK$1,549.8 million and HK$854.7 million, respectively (31 December 2023: total current assets of HK$719.3 million and total current liabilities of HK$524.8 million). The Group's net current assets as at 31 December 2024 comprised inventories of approximately HK$42.0 million (31 December 2023: HK$75.9 million), accounts receivable, prepayments, deposits and other receivables of approximately HK$291.9 million (31 December 2023: HK$453.5 million), financial assets at fair value through profit or loss of approximately HK$658.6 million (31 December 2023: Nil) and loans receivable of approximately HK$92.4 million (31 December 2023: HK$125.6 million).

The Group's inventory turnover, accounts receivable turnover and accounts payable turnover periods were 66 days, 6 days and 104 days, respectively. The turnover ratios were consistent and compliant with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

During the Year, the Group financed its operations and investment activities mainly through a combination of (i) equity financing; (ii) interest-bearing bank borrowings; and (iii) issuance of convertible bonds. As at 31 December 2024, equity attributable to owners of the Company amounted to approximately HK$1,999.7 million (31 December 2023: HK$3,363.2 million).

The Group's total interest-bearing bank borrowings and convertible bonds issued by the Company as at 31 December 2024 amounted to approximately HK$16.4 million (31 December 2023: HK$37.8 million) and approximately HK$298.3 million (31 December 2023: HK$121.2 million), respectively, which were mainly denominated in HK$, RMB and JPY. The interest-bearing bank borrowings and convertible bonds were mainly used for investment in business opportunities in order to expand into the mobility technology solutions and related business and for working capital purpose and all of which are at commercial lending variable interest rates.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group monitors capital on the basis of the gearing ratio. As at 31 December 2024, the gearing ratio was approximately 0.8% (31 December 2023: 1.1%). This ratio is calculated as total interest-bearing bank borrowings (other than convertible bonds) divided by total equity.

Pledge of Assets

As at 31 December 2024, certain freehold land and buildings and leasehold land included in right-of-use assets of the Group with an aggregate carrying amount of approximately HK$30.7 million (2023: 35.2 million) were pledged to secure certain bank loans granted to the Group with principal amount of approximately HK$10.8 million (2023: HK$13.1 million).

Final Dividend

The Board does not recommend the payment of any dividend in respect of the Year (2023: Nil).

Capital Management

The Group's objectives when managing capital are to ensure that members of the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimization of its debt and equity balance. The Group manages the amount of capital in proportion to risk, and makes adjustments to its overall capital structure through the payment of dividend, new Share issues as well as the issue of new debts or the repayment of existing debts.

Foreign Exchange Exposure

The Group's sales and purchases during the Year were mostly denominated in HK$, RMB, EUR and JPY. The Group was exposed to certain foreign currency exchange risks but it does not anticipate future currency fluctuations to cause material operational difficulties or liquidity problems. Nevertheless, the Group continuously monitors its foreign exchange position and, when necessary, will hedge foreign exchange exposure arising from contractual commitments in sourcing products from overseas suppliers.

Material Acquisitions or Disposals

On 26 July 2024, the Company and its direct wholly-owned subsidiary, Global 3D Printing Co Ltd (both being vendors) entered into a sale and purchase agreement to dispose an aggregate of 4,931,588 preferred shares of Divergent owned by the Group, representing approximately 12.87% of the total issued shares of Divergent, for a total consideration of US$101,533,292.15 (equivalent to approximately HK$793.0 million) (the "Divergent Disposal"). Out of the net proceeds of approximately HK$790.0 million to be received upon the completion of the Divergent Disposal, approximately HK$711.0 million will be allocated for research and development of hypercars and EVs, while the remaining HK$79.0 million will be designated for general working capital purpose.

The Divergent Disposal signifies an opportunity for the Company to exit from its investment in Divergent, enabling the Group to redeploy its resources and efforts to the Group's core mobility technology solutions business ensuring that the Group continues to thrive in the dynamic and competitive automotive industry.

The Divergent Disposal constituted a very substantial disposal of the Company under Chapter 14 of The Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Further details of the Divergent Disposal are set out in the announcement of the Company dated 7 August 2024 and the circular of the Company dated 21 August 2024.

Save as disclosed above and in this report, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Events After the Reporting Period

There were no significant events affecting the Group after the year ended 31 December 2024 and up to the date of this report.

Employees and Remuneration Policies

As at 31 December 2024, the Group had 43 (31 December 2023: 42) employees. The related employees' costs for the Year (including directors' remuneration) amounted to approximately HK$48.8 million (2023: HK$66.6 million). In addition to basic salary, employees are entitled to other benefits including those under social insurance contribution, employee provident fund schemes and share option scheme of the Company. The remuneration of employees was in line with market trend and commensurate to the levels of pay in the industry and to the performance of individual employees that are regularly reviewed each year. The Group will continue to offer employees on-the-job training and external trainings based on business needs and the development of the Group.

The annual salary of Directors is determined by reference to their performance for the year, experience, qualification, duties and responsibilities in the Group and the prevailing market rate and will be subject to review by the remuneration committee of the Board (the "Remuneration Committee") and the Board from time to time. Further details of Directors' and chief executive's remuneration and the five highest paid employees are set out in notes 10 and 11 to the financial statements, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, as at 31 December 2024, there was no other specific plan for material investments or capital assets in the coming year.

REPORT OF THE DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the Year is investment holding. Details of the principal activities of the subsidiaries of the Company in the course of the Year are set out in note 1 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by geographical segment based on the location of customers and business segments for the Year is set out in note 4 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the Year and the financial position of the Company as at 31 December 2024 are set out in the consolidated financial statements on pages 96 to 209, respectively.

The Board did not recommend the payment of any dividend for the Year (2023: Nil).

INDUSTRY OVERVIEW, BUSINESS REVIEW, PROSPECTS AND OUTLOOK, FINANCIAL REVIEW, EVENTS AFTER THE REPORTING PERIOD AND FINAL DIVIDEND

The disclosures set out in the sub-sections headed "Industry Overview", "Business Review" and "Prospects and Outlook" in the section headed "Chairman's Statement" and the sub-sections headed "Financial Review", "Events After The Reporting Period" and "Final Dividend" in the section headed "Management Discussion and Analysis" of this annual report form part of this report of the Directors.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company provides a fair and safe workplace, promotes diversity to our staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfilment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products and services in a way that satisfies the needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure they are dealt with in a prompt and timely manner.

The Group is also dedicated to develop and maintain good and long term relationships with suppliers and contractors to ensure stability of the Group's business.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

A substantial portion of the operating assets of the Group is located in the PRC and the Group expects that a material portion of the turnover will continue to be derived from the operations in the PRC. The results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, the growth rate, and government control of foreign exchange. The Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on the current or future business, results of operation or financial condition of the Group.

Financial Risk

The financial risk management of the Group is set out in note 42 to the consolidated financial statements.

FINANCIAL STATEMENTS

The financial performance of the Group for the Year and the financial position of the Group as at 31 December 2024 are set out on pages 96 to 99.

REPORT OF THE DIRECTORS

FIVE YEAR FINANCIAL SUMMARY

The following is a summary of the published consolidated results and of the assets and liabilities of the Group for each of the two years ended 30 September 2021, the fifteen months ended 31 December 2022 and each of the two years ended 31 December 2024:

Results

	Year ended 31 December 2024 HK$'000	Year ended 31 December 2023 HK$'000	Fifteen months ended 31 December 2022 HK$'000	Year ended 30 September 2021 HK$'000	2020 HK$'000
Revenue	**340,198**	279,213	774,888	528,559	357,705
Profit/(loss) from operating activities	**(1,554,911)**	(845,718)	289,185	(349,386)	(69,713)
Finance costs	**(3,938)**	(22,187)	(21,450)	(6,823)	(8,253)
Profit/(loss) before tax	**(1,558,849)**	(867,905)	267,735	(356,209)	(77,966)
Income tax credit/(expense)	**9,757**	(1,071)	(1,376)	(3,144)	(281,397)
Profit/(loss) for the year	**(1,549,092)**	(868,976)	266,359	(359,353)	(359,363)
Attributable to:					
Owners of the Company	**(1,538,341)**	(860,535)	263,459	(349,589)	(345,177)
Non-controlling interests	**(10,751)**	(8,441)	2,900	(9,764)	(14,186)
	(1,549,092)	(868,976)	266,359	(359,353)	(359,363)

FIVE YEAR FINANCIAL SUMMARY *(continued)*

Assets and Liabilities

	At 31 December 2024 HK$'000	At 31 December 2023 HK$'000	At 31 December 2022 HK$'000	At 30 September 2021 HK$'000	At 30 September 2020 HK$'000
Non-current assets	**1,317,321**	3,200,329	3,593,315	3,749,786	3,640,800
Current assets	**1,549,813**	719,340	1,340,514	1,331,877	1,677,070
Total assets	**2,867,134**	3,919,669	4,933,829	5,081,663	5,317,870
Current liabilities	**854,699**	524,753	618,890	1,277,595	869,875
Non-current liabilities	**45,674**	53,459	54,153	164,486	714,603
Total liabilities	**900,373**	578,212	673,043	1,442,081	1,584,478
Net assets	**1,966,761**	3,341,457	4,260,786	3,639,582	3,733,392

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the Year are set out in note 15 to the consolidated financial statements.

ISSUED CAPITAL

Details of the share capital of the Company during the Year are set out in note 33 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws of the Bermuda, being the jurisdiction in which the Company is continued, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on pages 100 to 101 of this report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had distributable reserves of approximately HK$1,018,987,000 (2023: HK$3,828,349,000) calculated in accordance with the Companies Act 1981 of Bermuda. This includes the Company's contributed surplus of approximately HK$7,573,141,000 (2023: 7,573,141,000) which are distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's 5 largest customers combined accounted for approximately 56.7% of the total sales and the sales to the largest customer included therein amounted to approximately 30.2%.

Total purchases for the Year from the Group's 5 largest suppliers combined accounted for approximately 88.2% of the total purchases and the purchases from the largest supplier included therein amounted to approximately 87.6%.

None of the Directors or any of their close associate(s) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's total issued Shares (excluding treasury shares (if any))) had any beneficial interest in the Group's 5 largest customers or 5 largest suppliers.

DIRECTORS

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

Executive Directors

Mr. Hui Chun Ying *(Chairman)*
Ms. Chen Yizi

Independent Non-Executive Directors

Mr. Teoh Chun Ming (Note 1)
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee

Note:

1. resigned with effect from 13 June 2024

In accordance with bye-law 84(1) of the Bye-laws, Mr. Peter Edward Jackson and Mr. Charles Matthew Pecot III shall retire by rotation at the forthcoming annual general meeting of the Company (the "2025 AGM") and they, being eligible, have offered themselves for re-election at the 2025 AGM. All Directors are subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years.

None of the Directors proposed for re-election at the 2025 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 35 to 37 of the annual report.

CONNECTED TRANSACTIONS

Subscription by Ruby Charm

On 15 March 2024, the Company entered into a subscription agreement with each of Ruby Charm, Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), Walong Holdings Limited, Talent Frontier Limited, Vivaldi International Limited, Ocean Dynasty Investments Limited, Goldrank Limited, Sino-Alliance International, Ltd. and Top Laurels Limited (collectively the "Subscribers") respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 445,652,177 Shares (the "Subscription Shares") at the subscription price of HK$0.46 per Share (the "2024 March Subscription").

As the ultimate beneficial owner of Ruby Charm, Mr. Ho King Man, Justin, is a substantial Shareholder and hence a connected person of the Company, the subscription agreement entered into between the Company and Ruby Charm and the transactions contemplated thereunder constitute a connected transaction of the Company and shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As detailed in the circular of the Company dated 18 April 2024, the purpose of the 2024 March Subscription was to allow the Company to repay its outstanding indebtedness with sufficient funding retained for general working capital and business development.

The completion of the 2024 March Subscription took place on 13 May 2024 and a total number of 445,652,177 Shares were allotted and issued to the Subscribers. Further details of the 2024 March Subscription are set out in the announcements of the Company dated 15 March 2024, 6 May 2024 and 13 May 2024 and the circular of the Company dated 18 April 2024.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 39 to the consolidated financial statements. Save for those disclosed in the paragraph headed "Connected Transactions" above, each of the related party transactions during the Year constituted a connected transaction or continuing connected transaction but was fully exempted and not subject to any of the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for the transactions disclosed in the paragraph headed "Connected Transactions" above, no transactions, arrangements or contracts of significance, to which the Company, its parent company, its subsidiaries or its fellow subsidiaries, was a party and in which a Director at any time during the Year or an entity connected with a Director at any time during the Year had any material interest, whether directly or indirectly, was entered into or subsisted at the end of the Year or at any time during the Year, nor was there any contract of significance between the Group and a controlling Shareholder or any of its subsidiaries, or any contract of significance for the provision of services to the Group by a controlling Shareholder or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year, other than service contracts or letters of appointment with the Directors and other persons engaged in the full-time employment of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors, secretary and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain in the execution of their duty. The Company has taken out and maintained directors' and officers' liability insurance throughout the Year and as at the date of this report, which provides appropriate cover for certain legal actions (if any) brought against its Directors and officers.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Directors/ chief executive of the Company	Capacity and nature of interest	Number of ordinary shares held	Number of share options held (Note 1)	Total interests	Percentage of interest (Note 2)
Mr. Hui Chun Ying	Beneficial owner	–	10,000,000	10,000,000	0.98%
Ms. Chen Yizi	Beneficial owner	–	10,000,000	10,000,000	0.98%
Mr. Peter Edward Jackson	Beneficial owner	–	1,250,000	1,250,000	0.12%
Mr. Charles Matthew Pecot III	Beneficial owner	–	1,200,000	1,200,000	0.12%
Ms. Hau Yan Hannah Lee	Beneficial owner	–	1,000,000	1,000,000	0.10%
Mr. Lee Jackie Kai Yat (Chief Executive Officer)	Beneficial owner	–	6,950,000	6,950,000	0.68%

Notes:

1. Details of share options held by the Directors are shown in the section "Share Option Schemes" below.
2. Based on 1,022,438,090 Shares in issue as at 31 December 2024.
3. All the interests disclosed above represent long positions in the Shares.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph "Share Option Schemes" below, at no time during the Year or at the end of the Year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

RETIREMENT BENEFITS PLANS

The Group contributes to defined contribution retirement schemes which are available to all employees. During the Year, no forfeited contributions are available to reduce the contribution payable in future years.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors and directors of the Company's subsidiaries or their respective associates had any interests in any businesses, apart from the Group's business, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

SHARE OPTION SCHEMES

2013 Share Option Scheme

A share option scheme (the "2013 Share Option Scheme") was adopted by the Company on 1 March 2013, the purpose of which was to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, advisors and Shareholders of the Group and to promote the success of the business of the Group.

The 2013 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date. Accordingly, the 2013 Share Option Scheme has expired on 28 February 2023 and no further share options (the "Share Option(s)") shall be granted under the 2013 Share Option Scheme but the provisions of the 2013 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options granted or exercised prior to the expiry date of the 2013 Share Option Scheme.

Eligible participants under the 2013 Share Option Scheme include, among others, employees, directors, customers, advisors, Shareholders, consultants, suppliers or service providers of the Group.

Details of the movements of the Share Options under the 2013 Share Option Scheme during the Year are as follows:

Name of Grantee	Date of Grant	As at 1 January 2024	Granted during the Year	Lapsed/ Cancelled during the Year	Exercised during the Year	As at 31 December 2024	Vesting and exercise period	Exercise price per Share HK$	Closing price per Share immediately before the date of grant HK$
Directors and Chief Executive									
Mr. Peter Edward Jackson	30 May 2019	50,000	–	–	–	50,000	Note 1	9.50	9.70
	4 January 2021	100,000	–	–	–	100,000	Note 2	15.60	15.40
	4 January 2022	100,000	–	–	–	100,000	Note 3	8.90	9.00
Mr. Charles Matthew Pecot III	4 January 2021	100,000	–	–	–	100,000	Note 2	15.60	15.40
	4 January 2022	100,000	–	–	–	100,000	Note 3	8.90	9.00
Former Directors									
Mr. Ho King Fung, Eric (Note 4)	6 April 2017	1,000,000	–	(1,000,000)	–	–	Note 5	17.00	16.80
	30 May 2019	1,500,000	–	(1,500,000)	–	–	Note 1	9.50	9.70
	4 January 2021	1,875,000	–	(1,875,000)	–	–	Note 2	15.60	15.40
	4 January 2022	1,500,000	–	(1,500,000)	–	–	Note 3	8.90	9.00
Mr. Joseph Lee (Note 6)	13 January 2022	2,000,000	–	(2,000,000)	–	–	Note 7	8.80	8.40
Mr. Teoh Chun Ming (Note 8)	30 May 2019	50,000	–	(50,000)	–	–	Note 1	9.50	9.70
	4 January 2021	100,000	–	(100,000)	–	–	Note 2	15.60	15.40
	4 January 2022	100,000	–	(100,000)	–	–	Note 3	8.90	9.00
Related entity participants									
Substantial Shareholders	13 March 2018	2,500,000	–	–	–	2,500,000	Note 9	35.64	34.20
Employee participants									
Employees (Note 10)	19 July 2016	74,400	–	–	–	74,400	Note 11	13.00	13.00
	30 May 2019	500,000	–	(500,000)	–	–	Note 1	9.50	9.70
	4 January 2021	3,600,000	–	(3,600,000)	–	–	Note 2	15.60	15.40
	4 January 2022	2,750,000	–	(2,500,000)	–	250,000	Note 3	8.90	9.00
Service Provider									
Consultants (Note 12)	4 January 2021	6,000,000	–	–	–	6,000,000	Note 2	15.60	15.40
Total		23,999,400	–	(14,725,000)	–	9,274,400			

SHARE OPTION SCHEMES *(continued)*

Notes:

1. From 30 May 2019 to 29 May 2029.

2. From 4 January 2021 to 3 January 2031.

3. From 4 January 2022 to 3 January 2032.

4. Mr. Ho King Fung, Eric resigned as a Director with effect from 20 September 2023.

5. From 6 April 2017 to 5 April 2027.

6. Mr. Joseph Lee resigned as a Director with effect from 31 October 2023.

7. From 13 January 2022 to 12 January 2032.

8. Mr. Teoh Chun Ming resigned as a Director with effect from 13 June 2024.

9. From 13 March 2018 to 12 March 2028.

10. "Employees" mean employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

11. Subject to the rules of the 2013 Share Option Scheme, the Share Options are exercisable in the following manner for a period from the date of the acceptance of the Share Options to 10 years from the date of grant:

Percentage of the Share Options that are vested and exercisable	Period for the exercise of the relevant Share Options
20%	From 19 July 2017 to 18 July 2026
Additional 20% (i.e. up to 40% in total)	From 19 July 2018 to 18 July 2026
Additional 20% (i.e. up to 60% in total)	From 19 July 2019 to 18 July 2026
Additional 20% (i.e. up to 80% in total)	From 19 July 2020 to 18 July 2026
Additional 20% (i.e. up to 100% in total)	From 19 July 2021 to 18 July 2026

12. They are consultants providing professional advice and assistance to the business development of the Group and assisting in sourcing funding for the Company from potential investors in the Middle East, Europe and the PRC. Please refer to the announcement of the Company dated 11 October 2022 for details.

No Share Option was available for grant under the 2013 Share Option Scheme as at the beginning and the end of the Year as the 2013 Share Option Scheme has expired on 28 February 2023.

The total number of Shares available for issue upon the exercise of all Share Options granted under the 2013 Share Option Scheme is 9,274,400, representing approximately 0.91% of the Company's total number of issued Shares (excluding treasury shares (if any)) as at the date of this report.

The number of Shares that may be issued in respect of the Share Options granted under the 2013 Share Option Scheme during the Year divided by the weighted average number of ordinary Shares in issue (excluding treasury shares (if any)) for the Year was approximately 1.35%.

2023 Share Option Scheme

The Company has adopted a share option scheme on 30 June 2023 (the "2023 Share Option Scheme") which was approved by the Shareholders at the annual general meeting held on 30 June 2023. The 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 30 June 2023. As at 31 December 2024, the remaining life of the 2023 Share Option Scheme is approximately 8.5 years.

The purpose of the 2023 Share Option Scheme is to give the eligible participants an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of an employee participant, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible participants under the 2023 Share Option Scheme include (i) employee participants, being any director or employee of the Company or any of its subsidiaries, including persons who are granted Share Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries; and (ii) related entity participants, being a director or employee of a holding company, a subsidiary of the holding company or an associated company of the Company.

There is no performance target attached to the Share Options granted under the 2023 Share Option Scheme during the Year.

Details of the movement of the Share Options under the 2023 Share Option Scheme during the Year are as follows:

Name of Grantee	Date of Grant	As at 1 January 2024	Granted during the Year	Lapsed/ Cancelled during the Year	Exercised during the Year	As at 31 December 2024	Vesting and exercise period	Exercise price per Share HK$	Closing price per Share immediately before the date of grant HK$
Directors and Chief Executive									
Mr. Hui Chun Ying	6 June 2024	–	10,000,000	–	–	10,000,000	Note 1	0.68	0.73
Ms. Chen Yizi	6 June 2024	–	10,000,000	–	–	10,000,000	Note 1	0.68	0.73
Mr. Peter Edward Jackson	6 June 2024	–	1,000,000	–	–	1,000,000	Note 1	0.68	0.73
Mr. Charles Matthew Pecot III	6 June 2024	–	1,000,000	–	–	1,000,000	Note 1	0.68	0.73
Ms. Hau Yan Hannah Lee	6 June 2024	–	1,000,000	–	–	1,000,000	Note 1	0.68	0.73
Mr. Lee Jackie Kai Yat	27 February 2024	–	3,950,000	–	–	3,950,000	Note 2	0.55	0.56
	6 June 2024	–	3,000,000	–	–	3,000,000	Note 1	0.68	0.73
Employee participants									
Employees (Note 3)	27 February 2024	–	44,050,000	(3,250,000)	–	40,800,000	Note 2	0.55	0.56
	6 June 2024	–	32,000,000	–	–	32,000,000	Note 1	0.68	0.73
Total		–	106,000,000	(3,250,000)	–	102,750,000			

REPORT OF THE DIRECTORS

Notes:

1. From 6 June 2025 to 5 June 2034.

2. From 27 February 2025 to 26 February 2034.

3. "Employees" mean employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the laws of Hong Kong).

The scheme mandate limit under the 2023 Share Option Scheme was refreshed pursuant to an ordinary resolution passed by the independent Shareholders at the annual general meeting of the Company held on 31 May 2024. The number of Share Options available for grant under the scheme mandate limit under the 2023 Share Option Scheme as at the beginning and the end of the Year was 48,065,492 and 44,243,809, respectively.

The total number of Shares available for issue upon the exercise of all Share Options granted under the 2023 Share Option Scheme is 102,750,000, representing approximately 10.05% of the Company's total number of issued Shares (excluding treasury shares (if any)) as at the date of this report.

The number of Shares that may be issued in respect of the Share Options granted under the 2023 Share Option Scheme during the Year divided by the weighted average number of ordinary Shares of the Company in issue (excluding treasury shares (if any)) for the Year was approximately 12.03%.

The fair value of the Share Options granted during the Year was approximately HK$34,340,000 (2023: Nil). The fair value of Share Options granted during the Year was estimated as at the date of grant using the binomial option pricing model, taking into account the terms and conditions upon which the Share Options were granted. The table below outlines the inputs used in the model:

	31 December 2024
Closing price per Share on the date of grant	HK$0.55–HK$0.68
Exercise price per Share	HK$0.554–HK$0.68
Risk-free rate	3.59%–3.78%
Expected life of Share Options	10 years
Expected volatility	73.36%–74.20%
Expected dividend yield	0%
Expected early exercise multiple	2.20
Post-vesting exit rate	10%

The expected volatility was based on the historical volatility of the share price of the Company. The post-vesting exit rate was based on the historical forfeiture rate of the Share Options of the Company. No other feature of the Share Options granted was incorporated into the measurement of the fair value.

Further details in relation to the Share Options are set out in note 34 to the consolidated financial statements.

ISSUE OF LISTED SECURITIES OF THE COMPANY AND USE OF PROCEEDS

Subscription of Shares

A summary of the issue of equity securities by the Company for cash during the year ended 31 December 2024 is set out below:

Date of announcement	15 January 2024	15 March 2024
Date of completion	24 January 2024	13 May 2024
Name of subscriber(s)	Ruby Charm Investment Limited	Ruby Charm Investment Limited; Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund); Walong Holdings Limited; Talent Frontier Limited; Vivaldi International Limited; Ocean Dynasty Investments Limited; Goldrank Limited; Sino-Alliance International, Ltd.; and Top Laurels Limited
Number of Shares issued	96,130,985	445,652,177
Class of Shares issued	Ordinary shares	Ordinary shares
Issue price per Share	HK$0.51	HK$0.46
Net price per Share	HK$0.50	HK$0.36
Aggregate nominal value of Shares issued	HK$961,309.85	HK$4,456,521.77
Closing price per Share on the date on which the terms of the issue were fixed	HK$0.63	HK$0.51
Gross proceeds	Approximately HK$49.0 million	Approximately HK$205.0 million
Net proceeds	Approximately HK$48.0 million	Approximately HK$162.5 million
Intended use of proceeds	The Company intended to use the net proceeds for the following purposes: (i) as to approximately HK$10.0 million or 20.8% for repayment of the indebtedness of the Group; and (ii) as to approximately HK$38.0 million or 79.2% for general working capital.	The Company intended to use the net proceeds for the following purposes: (i) as to approximately HK$75.0 million or 46.2% for repayment of the indebtedness of the Group; (ii) as to approximately HK$71.3 million or 43.8% for the research and development of hypercars and EVs; and (iii) as to approximately HK$16.2 million or 10.0% for general working capital.

REPORT OF THE DIRECTORS

Actual use of proceeds	Fully utilized as intended.	Fully utilized as intended
Amount of proceeds not yet utilized as at 31 December 2024 and expected timeline of use	N/A	N/A
Reasons for the issue	The Directors were of the view that the issue of Shares was essential in strengthening the financial position of the Group and considered that immediate financing was necessary to preserve sufficient liquidity and cash reserve to settle the convertible bonds payable by the Group and to support the working capital requirements of the Group's daily operation.	The Directors were of the view that the issue of Shares would allow the Company to fully settle the convertible bonds (together with the accrued interest) payable by the Group with sufficient fundings retained for general working capital and business development, while improving the gearing level and hence strengthening the overall financial position of the Group.

Convertible Bonds Issuance

On 6 December 2024, the Company entered into a subscription agreement (the "CB Subscription Agreement") with Ning Shing (Holdings) Company Limited (the "CB Subscriber"), pursuant to which the Company has conditionally agreed to issue to the CB Subscriber, and the CB Subscriber has conditionally agreed to subscribe for, 5% convertible bonds of the Company due 2026 in the principal amount of HK$300 million under a general mandate, bearing interest at the rate of 5% per annum payable semi-annually from the issue date (the "Convertible Bonds"), which may be converted into not more than 194,804,000 ordinary Shares with aggregate nominal value of HK$1,948,040 based on the initial conversion price of HK$1.54 per conversion Share upon full conversion (the "CB Subscription").

The closing price per Share as quoted on the Stock Exchange on 6 December 2024, being the date of the CB Subscription Agreement, was HK$0.465.

The gross proceeds and the net proceeds (after deduction of relevant expenses) from the CB Subscription were HK$300 million and approximately HK$299.2 million, respectively. The net issue price if the conversion Shares are issued at the initial conversion price would be approximately HK$1.54 per conversion Share.

The net proceeds from the CB Subscription of approximately HK$299.2 million are intended for research and development of hypercars and EVs (approximately HK$269.3 million or 90.01% of the net proceeds) and general working capital (approximately HK$29.9 million or 9.99% of the net proceeds). The issuance of convertible bonds reflects the Group's strategic intent to capitalize on the growing global demand for high-performance hypercars due to surging popularity of motorsports and increasing consumer interest in cutting-edge mobility solutions. By raising funds to invest in research and development, the Group aims to accelerate its transformation into a leading mobility services provider, enabling the Group to unveil next-generation hypercar concepts and advanced EV technologies, amplifying market interest, and reinforcing its competitive edge in the rapidly evolving automotive landscape.

As at 31 December 2024, none of the net proceeds from the CB Subscription had been utilized. The net proceeds from the CB Subscription is expected to be fully utilized on or before 31 December 2025 for the purposes as previously disclosed.

Further details in relation to the CB Subscription are set out in the announcements of the Company dated 6 December 2024, 10 December 2024 and 18 December 2024.

Save as disclosed above, there was no other issue of equity securities of the Company or sale of treasury shares for cash during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Schemes" and "Issue of Listed Securities of the Company and Use of Proceeds" above, during the Year, the Company did not enter into any equity-linked agreements which would or might result in the issue of Shares by the Company, or require the Company to enter into any agreements which would or might result in the issue of Shares by the Company.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholders	Capacity and nature of interest	Number of Shares held	Percentage of shares in issue (Note 1)
Mr. Ho King Man, Justin	Beneficial owner and interest in a controlled corporation	222,637,982 (Note 2)	21.78%
Ruby Charm Investment Limited	Beneficial owner	219,293,382 (Note 2)	21.45%
Ning Shing (Holdings) Company Limited	Beneficial owner	194,804,000 (Note 3)	16.00%
Atlantis Multi-Strategy Capital VCC	Beneficial owner	153,260,870 (Note 4)	14.99%
Atlantis Capital Group Holdings Limited	Interest in a controlled corporation	153,260,870 (Note 4)	14.99%
Ms. Liu Yang	Interest in a controlled corporation	153,260,870 (Note 4)	14.99%
WM Motor Holdings Limited	Beneficial owner	113,777,267 (Note 5)	11.13%
Timeless Hero Limited	Interest in a controlled corporation	113,777,267 (Note 5)	11.13%
Freeman Schenk Limited	Interest in a controlled corporation	113,777,267 (Note 5)	11.13%
Cantrust (Far East) Limited	Interest in a controlled corporation	113,777,267 (Note 5)	11.13%
Mr. Lai Wing Lun	Agent	113,777,267 (Note 6)	11.13%
Mr. Arab Osman Mohammed	Agent	113,777,267 (Note 6)	11.13%
Walong Holdings Limited	Beneficial owner	84,782,609 (Note 7)	8.29%
Ms. Hoi Wa Fan	Interest in a controlled corporation	84,782,609 (Note 7)	8.29%

Notes:

1. Based on 1,022,438,090 Shares in issue as at 31 December 2024.

2. Among 222,637,982 Shares, (i) 219,293,382 Shares are owned by Ruby Charm Investment Limited, a private company directly wholly-owned by Mr. Ho King Man, Justin; (ii) 844,600 Shares are owned by Jumbo Eagle Investments Limited, a private company directly wholly-owned by Mr. Ho King Man, Justin; and (iii) 2,500,000 Shares represent the share options granted to Mr. Ho King Man, Justin (with an exercise price of HK$35.64).

3. These interests represent a maximum of 194,804,000 conversion Shares to be allotted and issued upon full conversion of the convertible bonds at HK$1.54 per conversion Share which were issued by the Company to Ning Shing (Holdings) Company Limited pursuant to a subscription agreement dated 6 December 2024.

4. Atlantis Multi-Strategy Capital VCC (on behalf of MPW Index Supreme Investment Fund), is a variable capital company incorporated in Singapore under the Singapore Variable Capital Companies Act. The manager of MPW Index Supreme Investment Fund is Atlantis Investment Management (Singapore) Pte. Ltd., a holder of Capital Markets Services Licence issued pursuant to the Securities and Futures Act 2001 of Singapore. Atlantis Investment Management (Singapore) Pte. Ltd. is wholly owned by Atlantis Capital Group Holdings Limited, which is in turn wholly owned by Ms. Liu Yang.

5. 113,777,267 Shares are held by WM Motor Holdings Limited, of which 65.41% of the voting right is held by Timeless Hero Limited. Timeless Hero Limited is wholly-owned by Freeman Schenk Limited, which is in turn wholly-owned by Cantrust (Far East) Limited. Cantrust (Far East) Limited is the trustee of New Freeman Schenk Trust, a discretionary trust established by Mr. Freeman Hui Shen as the settlor.

6. Mr. Osman Mohammed Arab and Mr. Lai Wing Lun were appointed as the Joint and Several Receivers and Managers of all issued shares of Timeless Hero Limited on 10 October 2024 pursuant to a share charge dated 12 January 2023 created by Freeman Schenk Limited in favour of Tai Fung Bank Limited.

7. 84,782,609 Shares are held by Walong Holdings Limited, which is wholly-owned by Ms. Hoi Wa Fan. Accordingly, Ms. Hoi Wa Fan is deemed to be interested in such number of Shares.

8. All the interests stated above represent long positions in the Shares.

INTEREST-BEARING BANK AND OTHER BORROWINGS

Particulars of interest-bearing bank and other borrowings of the Group as at 31 December 2024 are set out in note 30 to the consolidated financial statements.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as prescribed under the Listing Rules.

CORPORATE GOVERNANCE

During the Year, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") as stated in Appendix C1 to the Listing Rules. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors confirmed that they have fully complied with the Model Code during the Year.

REPORT OF THE DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company currently has three independent non-executive Directors, which meets the minimum number of independent non-executive Director requirement of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board.

The Company has received a written confirmation of independence from each of the independent non-executive Directors, and considers them to be independent.

ENVIRONMENTAL POLICY

The Group is committed to supporting environmental sustainability and maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilized. The Group strives to become an environmental-friendly corporation by saving electricity and encouraging the recycling of office supplies and other materials. Details of the Group's environmental policy and performance are set out in the Environmental, Social and Governance Report contained in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Code.

The primary responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial controls, internal control and risk management systems, to review and monitor the effectiveness of the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed and discussed the annual results and the consolidated financial statements of the Company for the Year.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2023 and the Year have been audited by Ernst & Young ("EY"), who will retire and, being eligible, offer themselves for re-appointment as the auditors of the Company at the forthcoming annual general meeting of the Company.

On behalf of the Board
APOLLO FUTURE MOBILITY GROUP LIMITED
Hui Chun Ying
Chairman and Executive Director

Hong Kong
31 March 2025

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Hui Chun Ying, aged 41, joined the Company as an executive Director, the Chairman of the Board, a member of the nomination committee of the Company (the "Nomination Committee") and the chairman of the investment committee of the Company (the "Investment Committee") on 20 September 2023. He was appointed as a member of the Remuneration Committee and the chairman of the Nomination Committee with effect from 1 December 2023.

Mr. Hui has extensive experience in banking, capital markets and legal practice. He is a co-founder of Repeat App, a food and beverage mobile application in the United Arab Emirates and the United States. From December 2021 to July 2022, Mr. Hui served as a representative of Finex Hong Kong Limited, and was licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Between October 2018 and August 2019, he acted as the Asia Pacific Chief Operating Officer for a Swiss family office known as Privatemarket.io. Between February 2014 and June 2018, he was an Associate Director at UBS Wealth Management Hong Kong and prior to that, between September 2012 and February 2014, he was a capital market associate at Sidley Austin, Hong Kong. He was admitted as a solicitor of Hong Kong Special Administrative Region and a New York Attorney.

Mr. Hui holds a Bachelor of Laws degree from the School of Oriental and African Studies, University of London, a Master of Laws degree specialising in Corporate and Financial Law from University College London and a Postgraduate Certificate in Laws from the University of Hong Kong.

Ms. Chen Yizi, aged 38, was appointed as an executive Director, a member of the Investment Committee and the chairperson of the corporate governance committee of the Company (the "Corporate Governance Committee") with effect from 1 November 2023. She was appointed as a member of the Nomination Committee with effect from 1 December 2023.

Ms. Chen has over a decade of experience in originating, underwriting and managing investment opportunities in early and growth-stage companies as well as funds. Before joining the Company, Ms. Chen dedicated her time to advising global family offices and entrepreneurs, specialising in optimising asset allocation strategies, providing investment recommendations, and crafting their expansion plans. Prior to that, she held the position of Managing Director and Investment Committee member of ASG, a New York-based family office, where she led the firm's Investment Development department, forming enduring global strategic partnerships and sourcing opportunities across various asset classes with a focus on venture capital and private equity. Ms. Chen's professional journey began in media, where she spent four years as an on-air personality at an international television station, delivering in-depth coverage of business and political news.

Ms. Chen holds a Bachelor's degree in Journalism from Nanjing University and a Master of Arts degree in Media, Culture, and Communication from New York University. In May 2023, she was accredited as a Chartered Alternative Investment Analyst by the Chartered Alternative Investment Analyst Association. She is also a member of the Milken Institute Young Leader Circle, and a class 24 fellow of the Kauffman Fellows programme.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. Peter Edward Jackson, aged 76, was appointed as an independent non-executive Directors with effect from 23 April 2018 and was appointed as a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee with effect from 17 December 2018.

He has over 40 years' international experience in the satellite and telecommunications industry. He was a non-executive director of Asia Satellite Telecommunications Holdings Limited ("AsiaSat"), a company previously listed on the Stock Exchange (former stock code: 1135), from January 2012 to August 2018 and a non-executive director of SpeedCast International Limited, a company previously listed on the Australian Stock Exchange, from August 2014 to March 2021. He was also a consultant to CITIC Group Corporation and worked with several private equity and venture capital firms in board or advisory positions from January 2012 to July 2018.

Previously, he was an executive director of AsiaSat from May 1996 to July 2011. He was also the chief executive officer and the executive chairman of AsiaSat from May 1996 to July 2010 and from August 2010 to July 2011 respectively. Prior to joining AsiaSat in July 1993 as its chief executive officer before its listing on the Stock Exchange, he held engineering, marketing and management positions at Cable & Wireless plc ("Cable & Wireless") and the last position he held at Cable & Wireless was Regional Director, Asia Pacific. During his time at Cable & Wireless, he worked on ventures in the Caribbean, the Middle East, Macau and the People's Republic of China. He had also worked with British Telecom.

Mr. Charles Matthew Pecot III, aged 63, was appointed as an independent non-executive Director and as a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee with effect from 1 June 2019. Mr. Pecot was re-designated as the chairman of the Remuneration Committee with effect from 13 June 2024.

Mr. Pecot had been working in the finance industry and international capital markets worldwide since 1994 and has extensive management experience. He was the Head of Markets at Barclays Capital Asia Limited ("Barclays") for the period from July 2019 to June 2022, managing the trading operations of Barclays in Asia Pacific, including all Equities, Credit and Macro (including Rates and Foreign Exchange). Prior to that, he was the Head of Equities at Barclays, responsible for leading the equities franchise in Asia Pacific only. Previously, he was the Head of Prime Services and Head of Equities Distribution in Asia Pacific at Credit Suisse (Hong Kong) Limited for the period from July 2009 to June 2017. Mr. Pecot was also the Head of Prime Services and Prime Brokerage Services in Asia Pacific at UBS Securities Asia Limited for the period from April 2004 to February 2007. Currently, Mr. Pecot serves as the chairman of Blackpanda Pte. Ltd., a cybersecurity consultancy company focused on Asia.

He graduated with a bachelor's degree in mechanical engineering and obtained a master's degree major in science in operations research and minor in applied statistics at the Air Force Institute of Technology, Ohio, the United States of America.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Hau Yan Hannah Lee, aged 51, joined the Company as an independent non-executive Director, a member of the Audit Committee and a member of the Remuneration Committee with effect from 1 April 2022. Ms. Lee was also appointed as a member of the Nomination Committee, Investment Committee and Corporate Governance Committee with effect from 13 June 2024. Ms. Lee was re-designated as the chairperson of the Audit Committee with effect from 13 June 2024.

Ms. Lee has more than 25 years of experience in auditing, accounting, mergers and acquisitions and initial public offerings. She currently works as a consultant for start-up companies in Hong Kong. Previously, she served as the chief financial officer at various multibillion dollar companies in Hong Kong and China, including Ganji.com, Global Education & Technology Group and The9 Limited. Between 2016 and 2017, she also served as an independent non-executive director of AL Group Limited (stock code: 8360), a company listed on the Stock Exchange.

Ms. Lee received her bachelor's degree with honors in Accounting from the University of British Columbia, Canada. Ms. Lee is also a Certified Public Accountant in the United States of America and a Chartered Professional Accountant in Canada.

SENIOR MANAGEMENT

Mr. Lee Jackie Kai Yat, aged 44, joined the Group in July 2019 and was appointed as the chief executive officer of the Company with effect from 13 June 2024. Prior to that, he was the Company's chief executive officer of the Greater China region and he currently serves as a director of certain subsidiaries of the Company. Mr Lee has over 20 years of experience in accounting, finance and financial management. Prior to joining the Group, Mr. Lee worked at KPMG, an international accounting firm, from August 2003 to August 2010. From September 2010 till March 2011, Mr. Lee served as a senior analyst at the research department of UOB Kay Hian (Hong Kong) Limited. Between April 2011 and December 2013, Mr. Lee served as the financial controller of Sino Prosper State Gold Resources Holdings Limited, which is currently known as Sino Prosper (Group) Holdings Limited (a company previously listed on the Main Board of the Stock Exchange, former stock code: 0766). From January 2014 to February 2015, Mr. Lee served as a managing director at Global Networking One Consulting Limited. From March 2015 to March 2018, Mr. Lee served as the financial controller at China Silver Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0815). Mr. Lee subsequently served as the chief financial officer and joint company secretary of CSMall Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1815) from March 2018 to January 2019 and as the chief financial officer of PT International Development Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0372) from January 2019 to June 2019. Mr. Lee has also been appointed as an independent director of Pardus Ventures Inc (a company listed on the TSX Venture Exchange, stock code: PDVN.P) since December 2022.

In May 2003, Mr. Lee obtained his bachelor's degree with Honours in Commerce, majoring in Finance and Accounting, from the University of British Columbia in Canada. Mr. Lee joined the Association of Chartered Certified Accountants as an affiliate in 2005 and was admitted as a member in 2007.

Mr. Ng Cheuk Kwan, aged 32, was appointed as the chief financial officer and company secretary of the Company with effect from 20 May 2024. Mr. Ng is responsible for our Group's strategic planning, corporate finance activities, oversight of financial reporting procedures, company secretary matters, internal controls and compliance with the requirements under Listing Rules. Mr. Ng holds a bachelor's degree in business administration in accounting and finance from the University of Hong Kong. Prior to joining the Group, he worked as a senior accountant in a leading international accounting firm. Mr. Ng has extensive experience in the field of accounting, financial management and auditing. He is a member of The Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. In formulating and implementing its corporate governance practices, the Company has applied the principles in the Code. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of Shareholders' value.

The Board has adopted the Code as set out in Appendix C1 to the Listing Rules. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability.

During the Year, the Company has complied with the code provisions under the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

During the Year and up to the date of this report, the Board comprises:

Executive Directors	:	Mr. Hui Chun Ying *(Chairman)* Ms. Chen Yizi
Independent Non-Executive Directors	:	Mr. Teoh Chun Ming *(Resigned with effect from 13 June 2024)* Mr. Peter Edward Jackson Mr. Charles Matthew Pecot III Ms. Hau Yan Hannah Lee

There is no relationship (including financial, business, family or other material/relevant relationship(s)) between members of the Board and in particular, between the chairman and the chief executive officer of the Company.

Each of the current independent non-executive Directors has given an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

BOARD OF DIRECTORS *(continued)*

During the Year, a total of four (4) Board meetings and one (1) annual general meeting (the "2024 AGM") and two (2) special general meetings (the "SGMs") were held and the attendance of each of the Directors is set out as follows:

	Number of meetings held and attended during the Year		
Name of Directors	**Board meetings**	**2024 AGM**	**SGMs**
Mr. Hui Chun Ying	4/4	1/1	2/2
Ms. Chen Yizi	4/4	1/1	2/2
Mr. Teoh Chun Ming *(resigned with effect from 13 June 2024)*	1/1	1/1	1/1
Mr. Peter Edward Jackson	4/4	1/1	2/2
Mr. Charles Matthew Pecot III	4/4	0/1	2/2
Ms. Hau Yan Hannah Lee	4/4	1/1	2/2

The then chairman of the Board, and the chairman and/or a designated member of each of the board committees of the Board attended the 2024 AGM and the SGMs, either in person by electronic means, to answer questions and collect views of the Shareholders of the Company.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervizing the Group's affairs. The Board, led by our Chairman, Mr. Hui Chun Ying, determines, monitors and oversees our overall strategies and policies, authorizing the development plan and annual budgets, setting the Group's values, standards and culture, evaluates the financial and operating performance, reviewing the effectiveness of the internal control system and supervises the management of the Group. The Board delegates the day-to-day management, administration and operation of the Group to the executive Directors, chief executive officer and senior management of the Group, and putting in place mechanisms for ensuring that the objectives of the Company is understood and shared at all levels of the Group. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

The Company recognizes that Board independence is essential to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board and that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness. The implementation and effectiveness of such mechanisms are reviewed by the Board on an annual basis.

The Board process, ranging from agenda setting, provision of information and focus on constructive debates and discussions, facilitates effective and active participation by our independent non-executive Directors. Each year, the Chairman meets with the independent non-executive Directors at least once without the presence of other Directors, enabling them to express their views outside the boardroom.

CORPORATE GOVERNANCE REPORT

DIRECTORS' INDUCTION AND PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally.

On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training record pursuant to the requirement of the Code on continuous professional development.

During the Year, all of Mr. Hui Chun Ying, Ms. Chen Yizi, Mr. Teoh Chun Ming (resigned with effect from 13 June 2024), Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee (during their respective term of office as Directors) have participated in appropriate continuous professional development activities by way of attending training sessions, conferences and seminars and reading materials relevant to the Company's business, directors' duties and responsibilities, corporate governance and recent amendments to the Listing Rules.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance committee has been established since 24 November 2017 and is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and reviewing Company's compliance with the Code.

The Board held meetings from time to time whenever necessary and no less than four times a year at approximately quarterly intervals. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda and accompanying Board papers are sent in full to all Directors at least 3 days before the date of a Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of each Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, Mr. Hui Chun Ying is the Chairman and Mr. Lee Jackie Kai Yat was appointed as the chief executive officer of the Company with effect from 13 June 2024.

The Chairman is primarily responsible for providing the overall leadership in the Board's affairs and in the strategic development of the business of the Group and ensuring that good corporate governance practices and procedures are established, along with the responsibilities of the Chairman under the Bye-laws and the Listing Rules while the chief executive officer was and shall be responsible for the overall management, business strategy and development, as well as merger and acquisition activities of the Group.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All non-executive Directors (including independent non-executive Directors, if any) are appointed for a specific term.

Mr. Peter Edward Jackson, as an independent non-executive Director has entered into a formal letter of appointment with the Company. His current term of service commenced from 23 April 2022 for a period of 36 months and is renewable automatically for a successive term of 12 months.

Mr. Charles Matthew Pecot III, as an independent non-executive Director has entered into a formal letter of appointment with the Company. His current term of service commenced from 1 June 2023 for a period of 36 months and is renewable automatically for a successive term of 12 months.

Ms. Hau Yan Hannah Lee, as an independent non-executive Director has entered into a formal letter of appointment with the Company commencing from 1 April 2022 for an initial term of 36 months.

Mr. Teoh Chun Ming, was an independent non-executive Director until 13 June 2024 whom has entered into a formal letter of appointment with the Company. His term of service commenced form 24 November 2021 for a period of 36 months and was renewable automatically for a successive term of 12 months.

The Bye-laws provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

AUDIT COMMITTEE

During the Year and as at the date of this report, the Audit Committee comprised the following members:

Mr. Teoh Chun Ming *(ceased to be the Chairman with effect from 13 June 2024)*
Ms. Hau Yan Hannah Lee *(appointed as the Chairperson with effect from 13 June 2024)*
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III

As at the date of this report, the chairperson of the Audit Committee is Ms. Hau Yan Hannah Lee. All members of the Audit Committee, namely Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee are independent non-executive Directors. Ms. Hau Yan Hannah Lee, who is a Certified Public Accountant in the United States of America and a Chartered Professional Accountant in Canada, has the appropriate professional qualification to lead and chair the Audit Committee. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE *(continued)*

The roles and functions of the Audit Committee are to, among others, assist the Board in providing an independent view of the effectiveness of the Company's financial controls, internal control and risk management systems, to review and monitor the effectiveness of the audit process and to perform other duties and responsibilities as assigned by the Board.

According to the terms of reference of the Audit Committee, meeting of the Audit Committee shall be held at least twice a year. Two (2) meetings of the Audit Committee were held during the Year. The attendance of each member of the Audit Committee is set out as follows:

Name of members of Audit Committee	Number of meetings held and attended during the Year
Mr. Teoh Chun Ming *(ceased to be the Chairman with effect from 13 June 2024)*	1/1
Ms. Hau Yan Hannah Lee *(appointed as the Chairperson with effect from 13 June 2024)*	2/2
Mr. Peter Edward Jackson	2/2
Mr. Charles Matthew Pecot III	2/2

The works performed by the Audit Committee during the Year includes the following:

- reviewed the annual report and the annual results announcement of the Company for the year ended 31 December 2023;
- reviewed the interim report and the interim results announcement of the Company for the six months ended 30 June 2024;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function and the Company's performance and reporting in the aspect of environmental, social and governance;
- reviewed the Group's financial and accounting policies and practices;
- reviewed the risk management and internal control systems of the Group;
- reviewed the effectiveness of the Company's internal audit function;
- reviewed the management letter of the auditors of the Company; and
- met and discussed with the auditors of the Company in respect of the annual results of the Company for the year ended 31 December 2023 and interim results of the Company for the six months ended 30 June 2024.

REMUNERATION COMMITTEE

During the Year and as at the date of this report, the Remuneration Committee comprised the following members:

Mr. Teoh Chun Ming *(ceased to be the Chairman with effect from 13 June 2024)*
Mr. Charles Matthew Pecot III *(appointed as the Chairman with effect from 13 June 2024)*
Mr. Hui Chun Ying
Mr. Peter Edward Jackson
Ms. Hau Yan Hannah Lee

As at the date of this report, the chairman of the Remuneration Committee is Mr. Charles Matthew Pecot III. A majority of the members of the Remuneration Committee, namely Mr. Charles Matthew Pecot III, Mr. Peter Edward Jackson and Ms. Hau Yan Hannah Lee are independent non-executive Directors. Mr. Hui Chun Ying is an executive Director. The terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee has adopted the model described in code provision E.1.2(c)(ii) of the Code in its terms of reference. It makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management, with the Board retaining the final authority to approve such remuneration packages. The other principal roles and functions of the Remuneration Committee include (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) making recommendations to the Board on the remuneration of the non-executive Directors; and (iii) reviewing and recommending the management's remuneration proposals with reference to the Board's corporate goals and objectives.

According to the terms of reference of the Remuneration Committee, meeting of the Remuneration Committee shall be held at least once a year. One (1) meeting of the Remuneration Committee was held during the Year. The attendance of each member of the Remuneration Committee is set out as follows:

Name of members of Remuneration Committee	Number of meeting(s) held and attended during the Year
Mr. Teoh Chun Ming *(ceased to be the Chairman with effect from 13 June 2024)*	1/1
Mr. Charles Matthew Pecot III *(appointed as the Chairman with effect from 13 June 2024)*	1/1
Mr. Hui Chun Ying	1/1
Mr. Peter Edward Jackson	1/1
Ms. Hau Yan Hannah Lee	1/1

The work performed by the Remuneration Committee during the Year includes the following:

- reviewed and determined the policy for the remuneration of Directors and senior management;
- assessed performance of Directors and senior management;
- reviewed and recommended the remuneration packages of the Directors and senior management to the Board; and
- reviewed and recommended matters relating to the grant of Share Options under the 2023 Share Option Scheme.

REMUNERATION COMMITTEE *(continued)*

For the Year, the remuneration payable to six senior management (excluding Directors), in which two fell within the band of HK$1,000,001 to HK$1,500,000, one fell within the band of HK$1,500,001 to HK$2,000,000, one fell within the band of HK$2,000,001 to HK$2,500,000 and two fell within the band of HK$3,000,001 to HK$3,500,000.

Further details of the remuneration of the Directors and the five highest paid individuals are set out in notes 10 and 11 to the consolidated financial statements.

106,000,000 share options were granted under the 2023 Share Option Scheme during the Year. Further details of the 2023 Share Option Scheme are set out in note 34 to the consolidated financial statements.

Pursuant to the code provision E.1.5 of the Code, the remuneration of the members of the Board and the senior management by band for the Year is set out below:

In the band of	Number of Individuals
Nil to HK$500,000	4
HK$1,000,001 to HK$1,500,000	2
HK$1,500,001 to HK$2,000,000	1
HK$2,000,001 to HK$2,500,000	1
HK$3,000,001 to HK$3,500,000	2
HK$3,500,001 to HK$4,000,000	2

NOMINATION COMMITTEE

During the Year and as at the date of this report, the Nomination Committee comprised the following members:

Mr. Hui Chun Ying *(Chairman)*
Ms. Chen Yizi
Mr. Teoh Chun Ming *(ceased to be a member with effect from 13 June 2024)*
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee *(appointed as a member with effect from 13 June 2024)*

As at the date of this report, the chairman of the Nomination Committee is Mr. Hui Chun Ying. A majority of the members of the Nomination Committee, namely, Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee are independent non-executive Directors. Mr. Hui Chun Ying is the Chairman of the Board and an executive Director and Ms. Chen Yizi is an executive Director. The terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

NOMINATION COMMITTEE *(continued)*

The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company. For the re-appointment and nomination of new Directors, the Nomination Committee would consider the candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board and take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the relevant industry and/or other professional areas.

According to the terms of reference of the Nomination Committee, meeting of the Nomination Committee shall be held at least once a year. One (1) meeting of the Nomination Committee was held during the Year. The attendance of each member of the Nomination Committee is set out as follows:

Name of members of Nomination Committee	Number of meeting(s) held and attended during the Year
Mr. Hui Chun Ying *(Chairman)*	1/1
Ms. Chen Yizi	1/1
Mr. Teoh Chun Ming *(ceased to be a member with effect from 13 June 2024)*	1/1
Mr. Peter Edward Jackson	1/1
Mr. Charles Matthew Pecot III	1/1
Ms. Hau Yan Hannah Lee *(appointed as a member with effect from 13 June 2024)*	N/A

The works performed by the Nomination Committee during the Year includes the following:

- reviewed the structure, size and composition of the Board;
- assessed the independence of independent non-executive Directors; and
- considered and recommended the re-election of Directors.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy effective on 1 September 2013. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

1. The Company should comply with the requirements of the Listing Rules on the board composition from time to time.

2. The number of independent non-executive Directors should be not less than three and one-third of the Board.

3. At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

4. The Board should have at least one member of a different gender in order to achieve gender diversity at Board level.

The Nomination Committee is of the view that the Company has achieved these measurable objectives under the board diversity policy. The Board will continue to ensure any successors to the Board shall follow the above measurable objectives.

As at the date of this report, the Board comprises five Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of nationality, gender, professional background and skills and the Board is of the view that the Company has achieved these measurable objectives under the board diversity policy.

GENDER DIVERSITY

The Board targets to appoint or maintain gender diversity and targets to refrain from having a single gender in respect of the Board. Since Ms. Hau Yau Hannah Lee was appointed as an independent non-executive Director in April 2022, the Board has already achieved gender diversity in accordance with the Listing Rules requirement. Following Ms. Chen Yizi's appointment as an executive Director in November 2023, as of 31 December 2024, two out of five Directors are females.

As at 31 December 2024, the gender ratio in the total workforce of the Group (including senior management) was approximately 2.2:1 (male:female). Traditionally, the automobile industry has been short of female talents. Nevertheless, the Company targets to avoid a single gender senior workforce by providing supports (e.g. provide relevant trainings to employees in the workplace to enhance their competitiveness) and will timely review the gender diversity of the senior workforce in accordance with the business development of the Group, thereby to improve the proportion of female employees gradually.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established on 24 November 2017. During the Year and as at the date of this report, the Corporate Governance Committee comprised the following members:

Ms. Chen Yizi *(Chairperson)*
Mr. Teoh Chun Ming *(ceased to be a member with effect from 13 June 2024)*
Mr. Peter Edward Jackson
Mr. Charles Matthew Pecot III
Ms. Hau Yan Hannah Lee *(appointed as a member with effect from 13 June 2024)*

As at the date of this report, the Chairperson of the Corporate Governance Committee is Ms. Chen Yizi. A majority of the members of the Corporate Governance Committee, namely Mr. Peter Edward Jackson, Mr. Charles Matthew Pecot III and Ms. Hau Yan Hannah Lee are independent non-executive Directors. Ms. Chen Yizi, the Chairperson of the Corporate Governance Committee, is an executive Director. The terms of reference of the Corporate Governance Committee are available at the Company's website.

The primary responsibilities of the Corporate Governance Committee include, among other things, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the Code and disclosure in this report.

According to the terms of reference of the Corporate Governance Committee, meeting of the Corporate Governance Committee shall be held at least once a year. One (1) meeting the Corporate Governance Committee was held during the Year. The attendance of each member of the Corporate Governance Committee is set out as follows:

Name of members of the Corporate Governance Committee	Number of meeting(s) held and attended during the Year
Ms. Chen Yizi *(Chairperson)*	1/1
Mr. Teoh Chun Ming *(ceased to be a member with effect from 13 June 2024)*	1/1
Mr. Peter Edward Jackson	1/1
Mr. Charles Matthew Pecot III	1/1
Ms. Hau Yan Hannah Lee *(appointed as a member with effect from 13 June 2024)*	N/A

The works performed by the Corporate Governance Committee during the Year includes the following:

- reviewed the Company's policies and practices on corporate governance and made recommendations to the Board;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewed the Company's compliance with the Code; and
- reviewed the corporate governance report as part of the 2023 annual report of the Company.

INVESTMENT COMMITTEE

The Investment Committee was established on 7 March 2016. During the Year and as at the date of this report, the Investment Committee comprises Mr. Hui Chun Ying (Chairman), Ms. Chen Yizi, Mr. Teoh Chun Ming (ceased to be a member with effect form 13 June 2024) and Ms. Hau Yan Hannah Lee (appointed as a member with effect from 13 June 2024). The terms of reference of the Investment Committee are available at the Company's website.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the consolidated financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders of the Company. A statement issued by EY, the auditors of the Company, about their reporting responsibility is set out in the Independent Auditor's Report.

The Board considers that the processes for the Group's financial reporting and Listing Rules compliances are effective and adequate.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Main Features of Risk Management and Internal Control Systems

The key elements of the Company's risk management and internal control systems include the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

Process Used to Identify, Evaluate and Manage Significant Risk

The management, with the assistance of a professional firm, conducts internal control assessment regularly to identify significant risks that potentially impact the business of the Group (including ESG risks) and various aspects including key operational and financial processes, regulatory compliance and information security. The management will assess the likelihood of risk occurrence and monitor the risk management progress, and report to the Board on all findings (including all significant control failings or weaknesses identified) and the effectiveness of the risk management and internal control systems.

The Board, as supported by the Audit Committee, reviews the Group's risk management and internal control systems annually in respect of the relevant financial year. The review includes major financial, operational and compliance controls. The Group has not established an internal audit department and the Board has conducted an annual review on the need for an internal audit function and is of the view that given the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professional firms to perform the internal audit function for the Group in order to meet its needs.

INTERNAL CONTROL AND RISK MANAGEMENT *(continued)*

The Board has, through the Audit Committee, conducted review of the effectiveness of the risk management and internal control systems of the Group for the Year with the assistance of the professional firm. The review report with examination results (including the identification of major risks in operation) and relevant improvement recommendations were duly reported to the Audit Committee and the Board for them to assess risks controls of the Group and the effectiveness of the risk management system and any material failings or weaknesses in the internal control system, and to take appropriate actions to remedy any of these failings or weaknesses in a timely manner. All remedial actions will be regularly followed up where necessary to ensure that the failings and weaknesses have been duly addressed.

In respect of the year ended 31 December 2024, the Board, with confirmation from the management, considers that the risk management and internal control systems are effective and adequate and that the Group has complied with the code provisions relating to risk management and internal control of the Code.

DISSEMINATION OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policy so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

An employee who becomes aware of a matter or event that he/she considers to be material or inside information shall report to his division/department head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report to the Board and/or the company secretary of the Company.

AUDITORS' REMUNERATION

The remuneration of external auditors of the Company, EY, in respect of audit services and non-audit services for the Year is set out below:

Services rendered	**Fees paid/payable (HK$'000)**
Audit services	8,080
Non-audit services:	
— Review of interim financial information	1,050
Total	9,130

COMPANY SECRETARY

Mr. Moy Yee Wo Matthew resigned as the company secretary with effect from 20 May 2024. Mr. Ng Cheuk Kwan ("Mr. Ng") was appointed as the company secretary of the Company with effect from 20 May 2024. The biographical details of Mr. Ng are set out under the section headed "Directors and Senior Management".

In accordance with Rule 3.29 of the Listing Rules, Mr. Ng has taken no less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders of the Company and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting ("SGM").

— Right to convene extraordinary general meeting

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's principal place of business at Units 2001–2002, 20/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an SGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified is not in order, the Shareholders will be advised of this outcome and accordingly, an SGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

— Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to info@apollofmg.com for the attention of the company secretary of the Company.

— Right to put forward proposals at general meetings

There are no provisions allowing Shareholders of the Company to propose new resolutions at the general meetings under the Companies Act 1981 of Bermuda. However, Shareholders are requested to follow bye-law 58 of the Bye-laws for including a resolution at a general meeting. The requirements and procedures are set out above. Pursuant to bye-law 85 of the Bye-laws, no person, other than a Director retiring at a meeting, shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless there shall have been lodged at the head office or at the registration office notice in writing signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and also notice in writing signed by that person of his willingness to be elected as a director and a written consent to the publication of his/her personal data. Unless otherwise determined by the Directors and notified by the Company to the Shareholders, the period for lodgment of the said notices shall be a seven day period commencing on the day after the despatch of the notice of the general meeting for such election of Director(s) and ending on the date falling seven days after the despatch of the said notice of the general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules and his/her contact details. The procedures for Shareholders of the Company to propose a person for election as a Director is posted on the Company's website.

DIVIDEND POLICY

The Board has approved and adopted a dividend policy on 28 December 2018 (the "Dividend Policy").

It is the policy of the Board, in considering the payment of dividends, to allow Shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

The Board shall consider the following factors before declaring or recommending any dividends:

a. the Company's actual and expected financial performance;

b. the Group's liquidity position;

c. retained earnings and distributable reserves of the Company and each of the members of the Group;

d. the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;

e. any restrictions on payment of dividends that may be imposed by the Group's lenders;

f. the Group's expected working capital requirements and future expansion plans;

g. general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

h. any other factors that the Board deem appropriate.

The Shareholders of the Company may not expect any dividends under the following circumstances:

a. during the growth phase of the Group or during significant expansion or undertaking of any acquisitions or joint ventures requiring higher allocation of capital;

b. whenever the Company proposes or plans to utilize surplus cash to repurchase the Shares of the Company; or

c. inadequacy of profits or if the Company incurs losses.

The declaration, recommendation and payment of any dividends are also subject to compliance with applicable laws, regulations and the Bye-laws. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its Shareholders, potential investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at www.apollofmg.com.

The Company regards communications with its investors as being vital. The Company continues to enhance investor relations. Designated members of the Board and senior management of the Company are given the specific responsibilities to maintain regular contact with institutional investors, potential investors as well as other stakeholders. Press releases were issued as appropriate to provide with the most updated business development of the Group to the public. The Board reviewed the investor engagement and communication activities during the Year and was satisfied with the effectiveness of the Shareholders communication channels and policy in place.

CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the year ended 31 December 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

1.1 Introduction

We are pleased to present our Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**"), which discusses the Group's initiatives, strategies and performance to demonstrate our vision and long-term commitment to sustainability. We consider this ESG Report as a communication channel with our stakeholders and disclose ESG information that is meaningful and important to their decision-making. The board of directors (the "**Board**") acknowledges its responsibility for ensuring the integrity of this ESG Report.

1.2 Scope and Reporting Boundary

The scope of the ESG Report covers the environmental and social performances of the Group's principal operating activities over the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**"). The Group consists of three operating segments: mobility technology solutions segment, jewellery products, watches and other commodities segment and money lending segment, with international presence spanning across Hong Kong, the People's Republic of China (the "**PRC**"), Japan and Germany.

The reporting boundary of the ESG Report is established consistently based on all significant operations and entities that are substantially owned by the Group and are under our management across the Group's structure.

1.3 Reporting Guidelines

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 to the Listing Rules, with reference to the international standards and reporting guidance on environmental key performance indicators ("**KPIs**"). There is no change from the previous year in the way the ESG Report has been prepared, unless otherwise stated. The Board considers that the Group has complied with the requirements and provisions set out in the ESG Reporting Guide, including the mandatory disclosure requirements and the "comply or explain" provisions.

1. ABOUT THE REPORT *(continued)*

1.4 Reporting Principles

Materiality	We identify the material ESG factors by considering the ESG issues that could impact on our business and stakeholders. Details are set out in the sub-sections headed "2.3 Stakeholder Engagement" and "2.4 Materiality Assessment".
Quantitative	We provide information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption in the respective sections in this ESG report, where applicable.
Balance	We aim to provide an unbiased picture of the Group's performance. Hence, we avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	Methodologies and KPIs are used and calculated in a consistent approach. If there is any changes in consistency that may affect a meaningful comparison, details of which would be disclosed.

1.5 Data Collection

Data in this ESG Report are extracted from the Group's internal management system and statistics. Unless otherwise stated, HK$ is used in this ESG Report as its functional currency.

1.6 Contact

We welcome all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance. Comments or views can be sent to info@apollofmg.com.

2. ESG POLICY, STRATEGY AND MANAGEMENT

2.1 ESG Governance Structure

Sustainability has become a core element in the Group's strategy. We have a well-established governance structure to effectively oversee our ESG issues and manage our sustainability performance. The Board assumes ultimate responsibility for overseeing the Group's ESG-related risks and opportunities, establishing the ESG-related strategies and targets and reviewing the Group's performance annually against the goals and targets set. Growing environmental concerns, increasingly complex regulations and shifting stakeholder expectations drive the need to set up an ESG Working Group (the "**ESG Working Group**"), which is comprised of senior management and department heads across different functions. To effectively manage ESG-related issues that are considered material and relevant to the Group and review progress made against goals and targets set, the Board requires the ESG Working Group to report the ESG updates to the Board regularly.

The Board reviews the sustainability priorities through stakeholder engagement and embeds the results into our sustainability initiatives and strategies. We also take into consideration the industry practices, international trends and benchmarks against peers in setting and evaluating our environmental and social KPIs as well as other ESG topics that are material to the Group's principal business.

The Board

- Oversee the formulation, administration and assessment of the ESG system and reporting.

ESG Working Group

- Support the Board in implementing ESG-related strategies and targets, managing and promoting the implementation of ESG measures.

Functional Departments

- Implement the ESG measures to achieve the preset ESG-related strategies and targets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. ESG POLICY, STRATEGY AND MANAGEMENT *(continued)*

2.2 ESG Values and Approaches

We are committed to allocating our resources and our best thinking to build a sustainable business fit for the future and to build a better world for all stakeholders in different aspects. Key ESG values and approaches are as follows:

Carbon Emission and Climate Change Strategy — Reducing carbon emissions is the most critical means to address climate change. The Group sets quantitative carbon reduction targets and implements the improvement on carbon reduction measures.

Fighting Climate Change

We strive to protect and preserve our planet by adopting sustainable practices throughout our business, identifying and assessing financial and other risks associated with climate change and integrating low-carbon solutions into our operation. At the same time, we are committed to bringing energy-saving and environmentally friendly mobility solutions to customers.

Supporting Technological Innovation

We are dedicating our unmatched innovative capacity to accomplish long-term sustainability, offering a range of low-carbon and intelligent requirements of mobility solutions to help manage energy use in a greener and smarter way. The Group will continue to plan ahead and focus on leveraging our core skills of design and engineering along with our global partners to build up sustainable competitiveness in automobile transformation in electrification and intelligence, so as to create an exceptional mobility solutions and experience for the future.

Social Responsibility — Sharing the social responsibility ideal and system of the Group including the key topics of promoting stakeholders' in-depth participation, public health, community development, fostering talent growth and investing business development and advancing a culture of diversity, equity and inclusion.

Health and Well Being

We are determined to set ourselves in a good position to maintain robust business performance and growth together with our employees, with an objective to uphold an open, fair, just and reasonable human resource policy. The Group is committed to a holistic approach to health and wellness, through the provision of a healthy, comfortable and safe workplace for our employees, enabling them to work delightfully and diligently and share the development achievement of the Group.

Embracing Diversity

Our diverse cultures, lived experiences, and perspectives enrich our workplace. The Group values the diversity of experiences and backgrounds, equitable opportunities for talent development, diversifying our talent pool and pipelines, fostering inclusion, and providing education to our people. We aim for every employee to feel seen and valued in the workplace, and to find a community in which they can flourish.

2. ESG POLICY, STRATEGY AND MANAGEMENT *(continued)*

2.2 ESG Values and Approaches *(continued)*

Community Contribution — the Group explores sustainable philanthropic model and aims at serving and strengthening the wider community, and encouraging employees and other stakeholders in supporting and making positive contribution to the community where it operates.

Supporting Sustainable Community

We actively leverage our resources to encourage our employees and business partners to jointly participate in philanthropic activities, events, conferences and sponsorships.

Corporate Governance — The Group ensures our corporate governance structure meets the applicable laws and regulations, industry best practice and global trends, upholds the highest ethical standards of business integrity and fosters a culture of compliance throughout the Group.

Building Strong Governance

An ESG management system requires a combined effort of an effective governance structure that comprises the decision-making level and execution level members. The Board has the overall responsibility and set up an ESG Working Group to strengthen the ESG governance structure.

Looking ahead, we will continue to strengthen the ESG governance structure, deepen the ESG supervision responsibility, and improve the Group's ESG performance. At the same time, we will speed up the formulation and improvement of ESG goals and action plans of various departments, promote the achievement of environmental protection and social responsibility right-track governance, and publicly disclose more ESG-related policies.

2. ESG POLICY, STRATEGY AND MANAGEMENT *(continued)*

2.3 Stakeholder Engagement

Our Group recognizes the expectation and feedback from our stakeholders. The Group carried out a stakeholder engagement exercise during the Reporting Period by involving the stakeholders who may affect or may be affected by our decisions. The Group has developed an approach which identifies the broad topics that the stakeholders are most concerned with and used a materiality matrix to assess the material topics in formulating the strategies.

Details of communication channels and management responses to the stakeholders' expectations and concerns are as follows:

Stakeholders	Expectations and Concerns	Communication Channels and Management Responses
Stock Exchange	• Compliance with the Listing Rules • Timely and accurate announcements and circulars	• Meetings • Announcements and circulars • Regular information reporting • Company's website
Government and regulatory authorities	• Compliance with laws and regulations • Fulfill tax obligations	• On time tax return filing and payment • Public consultation
Shareholders/ Investors	• Investment returns • Corporate image • Business strategies and performance • Information transparency	• Annual general meeting and other general meetings • Annual and interim report • Announcements and circulars • Company's website
Media & Public	• Corporate governance • Environmental protection • Human right	• Press releases and announcements
Suppliers	• Stable demand • Strong and long-term relationship with the Group • Corporate reputation • Fair competition	• Review and evaluation • Contracts and agreements

2. ESG POLICY, STRATEGY AND MANAGEMENT *(continued)*

2.3 Stakeholder Engagement *(continued)*

Stakeholders	Expectations and Concerns	Communication Channels and Management Responses
Customers	• Product and services quality • Commercial credibility • Reasonable prices • Privacy protection	• After-sales services • Customer services hotline and email • Privacy agreement
Employees	• Labour rights • Remunerations and benefits • Training and development • Occupational health and safety	• Regular meetings and performance review • Emails and instant messaging group • Employee activities and training
Community	• Employment opportunities • Community contribution • Environmental protection	• Community activities • Media enquiry • Press releases and announcements • ESG report

2. ESG POLICY, STRATEGY AND MANAGEMENT *(continued)*

2.4 Materiality Assessment

Following the stakeholder engagement, we conducted a materiality assessment to evaluate, prioritize and manage material ESG-related Issues:

1. Identify the sustainability issues that are relevant to the Group's business, based on international and local reporting standards;

2. Prioritize the potential material topics that are relevant to the Group's ESG performance;

3. Conduct a questionnaire survey to examine stakeholders' expectations and the extent of influence of material issues towards stakeholders and the Group's business; and

4. Screen out the most representative material topics and analyse the results.

The Group also reviewed its the materiality assessment in the last reporting period. After analysing the results, the Group concluded that there have been no significant changes in the main concerns of stakeholders and the priority of ESG matters remains consistent with the previous reporting period. The assessment results are presented below:

Importance to Stakeholders \ Importance to the Group	Medium	High	Very High
Very High	⬢ Climate Change ▲ Innovation ◆ Customer Satisfaction	⬢ Energy Reduction ◆ Corporate Governance and Compliance	★ Occupational Safety and Health ▲ Quality Control
High	◆ Intellectual Property Rights ◆ Data Security and Customer Privacy ◆ Employee's Rights	★ Career Development ★ Employee Communication ◆ Market Presence	⬢ Green Procurement ◆ Community Engagement
Medium	◆ Anti-Corruption		◆ Waste Management

Key: ▲ Innovation and Technology ★ Our People ⬢ Environment ◆ Being a responsible business

3. PROTECTING THE ENVIRONMENT

The Group is committed to changing our business models to become more sustainable and helping our customers embrace the green transition. We are committed to instilling the consciousness of resources conservation, low-carbon concept and environmental protection into the work and life of every employee. We regularly assess the environmental risks of our business, and adopt preventive measures as necessary to reduce the risks, ensure the compliance of relevant laws and regulations and keep our green development. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to a greater success in the future and fulfil our responsibilities as a member of the community we all live in.

The Group dedicated itself to empowering the low-carbon transformation of the global economy and is committed to implementing the recommendations of the Task Force on Climate-Related Financial Disclosure ("**TCFD**"), providing investors and stakeholders with useful information on climate-related risks and opportunities that are related to our business. Responding to climate change can enhance our business resilience and enable us to take advantage of any opportunities it may offer.

Potential climate-related risks faced by the Group include physical risks such as extreme weather events and a rise in sea level and transition risks such as policy and regulatory risks, market risks and reputational risks.

3.1 Climate Change Mitigation

The Group has allocated human and financial resources to continuously assess the impact of climate change on our business and operation. The assessment aims to identify the major physical and transition risks that are most relevant to the Group. The result will be incorporated into our risk management system wherever appropriate.

Physical Climate Risks

Physical risks reflect how changes to the frequency and intensity of extreme and ongoing weather can impact, disrupt and damage business operations, assets and supply chains, as well as lead to broader impacts such as environmental stress, food and water security and trends in migration. Physical impacts from climate change are inevitable. The rate and extent of change will depend on global decarbonisation efforts.

The TCFD distinguishes between the following physical climate risks:

- Acute risks — A change in the frequency and/or intensity of extreme weather events, for example cyclones or floods.

- Chronic risks — Longer-term shifts in climate patterns, for example sustained higher temperatures, lower rainfall and a rise in sea level.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.1 Climate Change Mitigation *(continued)*

Physical Climate Risks *(continued)*

Table 3-1: Physical Climate Risks and Opportunities

Risk	Risk Detail	Mitigation and Opportunities
ACUTE PHYSICAL RISKS		
Increased severity of extreme weather events	The increased severity of cyclones and flooding from climate change may cause material damage to assets, leading to operational disruptions, impacts to production rates and increased costs associated with asset repair. Climate change may not only cause increase in wear and tear of the supplier's production equipment, and affect their service life, but also impact our value chain over the long-term.	Climate change brings considerable opportunities for developing resilient business models and new products, such as new energy mobility services and new energy vehicles, to meet the market and customers' expectations of sustainability and low-carbon mobility. Climate change stimulates our innovation and experimentation in products and businesses, such as the promotion of new energy technologies or application of lightweight technology, which will help us adapting to a low carbon economy and formulating the related business planning. We will establish safety management system, including adverse weather guidelines.
CHRONIC PHYSICAL RISKS		
Rising sea levels and storm surge inundation	Global sea level rises coupled with storm surge have the potential to cause material damage to our infrastructure through inundation. Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets.	All new projects assess and develop management and mitigation mechanisms to address the potential physical impacts of climate change.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.1 Climate Change Mitigation *(continued)*

Transition Climate Risks

Transition risks are those associated with the transition to a low carbon economy, which may be due to changes in policies, technologies and markets. As we shift to a low carbon world, transition risks will emerge that can impact and change investment and consumption patterns. The below table shows our responses in managing various risks brought by the climate change that the Group may be facing.

Table 3-2: Transition Climate Risks and Opportunities

Risk	Risk Details	Mitigation and Opportunities
Market Risks	Downstream market developments, including a change in consumer behaviours, introduction of the carbon tax, carbon border adjustment, the increased cost of raw material due to embedded Greenhouse Gas ("**GHG**") emissions pricing. As the maturity of shared mobility and automatic driving will create more scenarios, some customers, especially those who are committed to a low-carbon lifestyle, may pursue more eco-friendly experience and no longer perceive cars as their assets.	We will continue to engage and collaborate with our customers as they reduce their emissions. Also, we will keep abreast of the industry standards and adopt green procurement. A stringent environmental management system will be adopted to ensure the Group meets the expectations and requirements of the customers.
Policy and regulatory changes	Evolving policy and regulatory changes, including those that cap emissions, may increase the expenditure required to meet emissions caps.	We will regularly monitor the regulatory environment and strictly adhere to the Group's emission-reduction measures to maintain a low emission level. We will continue to work with industry bodies, peers, governments, and communities to ensure an effective regulatory framework.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.1 Climate Change Mitigation *(continued)*

Transition Climate Risks *(continued)*

Risk	Risk Details	Mitigation and Opportunities
Technical viability of decarbonisation strategy	The increase in price of fossil fuel will cause the auto companies to face higher costs in the use of production facilities powered by fossil fuel in the short term.	We are adapting the new technology, to power our operations and are making significant investments to improve energy efficiency and to decarbonize our operation wherever feasible, including the development of partnerships with key suppliers and industry experts.
Reputation damage	As public awareness about climate change, green and low-carbon development continues to grow, failure to meet stakeholder expectations may put the Group at reputational risk. Reputational impact from potential misalignment of emissions reduction impacts our: • daily operation; • services demand; • financing; and • investment opportunities.	We continue to align ourselves on the right track to fight climate change and maintain regular and transparent engagement with our stakeholders on our climate strategy and progress on achieving our objectives through direct consultation, regular meetings, media statements and presentations.

Looking forward, the Group will further examine the alignment of its policies with the TCFD recommendations.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.2 Corporate Environmental Policy

The Group formulated relevant rules and regulations for a sound and effective management of energy consumption, GHG emissions, as well as discharge of waste and sewage and other pollutants, highlighted as below.

- To assess, monitor and manage environmental risks and opportunities associated with our business;
- To integrate environmental considerations in the operations;
- To define appropriate objectives and targets on a regular basis for our ESG management approach;
- To continuously improve the ESG management system to set and maintain standards;
- To prevent pollution and to protect the environment by conserving natural resources and minimizing waste; and
- To promote environmental awareness and low carbon lifestyle among the workforce.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste, including the "Air Pollution Control Ordinance", "Waste Disposal Ordinance" and "Water Pollution Control Ordinance" of Hong Kong, "Environmental Protection Law of the PRC", "Atmospheric Pollution Prevention and Control Law of the PRC", "Basic Environment Law of Japan", "Water Protection Law of Germany", "Waste Law of Germany" and "European Climate Law". The Group did not violate any environmental protection law or regulation of the regions where we operate, nor was it subject to any significant fine, non-monetary penalty and litigation relating to environmental protection.

3.3 Optimizing Energy Saving and Resources Consumption

The air emissions generated by the Group mainly from mobile combustion sources as it involved use of fossil fuel in the business operations during the Reporting Period. The material air pollutants emitted were mainly composed of nitrogen oxides ("**NOx**"), sulphur oxides ("**SOx**"), and particulate matter ("**PM**").

The main contributors to the Group's carbon footprint are direct GHG emissions generated from office administration inevitably involve consumption of fossil fuel (Scope 1) and energy indirect GHG emissions generated from the consumption of purchased electricity (Scope 2).

The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment and minimize our impact on the environment. The sustainable measures adopted by the Group to achieve emission and energy use efficiency targets includes:

3. PROTECTING THE ENVIRONMENT *(continued)*

3.3 Optimizing Energy Saving and Resources Consumption *(continued)*

Reduce Energy Consumption

- Promote the use of energy-saving measures such as energy-saving lighting facilities in production and office areas, energy-efficiency air-conditioning system, high-efficiency energy-saving equipment and more variable frequency equipment; and

- Enhance our employees' awareness towards resource conservation, energy saving and environmental protection, inspiring tangible changes to their long-term behavioural patterns.

Reduce Paper Consumption

The business operation of the Group consumes certain amount of paper and the Group has adopted a series of initiatives to reduce paper consumption:

- Paperless office by developing our own internal administration system to reduce the use of paper in all level of our management;

- Selection of working partners which provide paperless operating procedures whenever feasible;

- Paperless board meeting;

- Encourage the use of electronic means of communication to manage daily process; and

- Use duplex printing and reuse single-side printed papers.

Reduce Air Business Travel

The Group encourages its employees to adopt electronic means of communication such as video or telephone conferencing to avoid unnecessary travel arrangement. Video conference equipment is available in conference rooms to conduct virtual meetings. We are seeking to minimize emissions from commuting through work-from-home programs and associate adoption of sustainable commuter transport options.

Fleet Management

Regular maintenance checks are performed for all the vehicles to enhance fuel consumption efficiency, ensure road safety and to keep air and GHG emissions at their minimum.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.4 Emissions

Our Group's business inevitably involves the consumption of fossil fuel, which directly or indirectly, releases NOx, SOx, PM and Carbon Dioxide ("$\mathbf{CO_2}$") into the air. Our environmental performance is tabulated below.

Table 3-3: Emissions

	Unit	FY2024	FY2023
Air Emissions			
Nitrogen Oxides (NOx)	kg	**16**	6
Sulphur Oxides (SOx)	kg	**–**	–
Particulate Matter (PM)	kg	**2**	–
GHG Emissions			
Direct GHG Emissions (Scope 1)	tCO_2e	**7**	33
Energy Indirect GHG Emissions (Scope 2)	tCO_2e	**82**	51
Total GHG Emissions Intensity	tCO_2e/employee	**2.06**	2.00

The Group is committed to achieve the air emissions from vehicle usage and GHG emissions between 90% to 120% for the next reporting period, against the level of the baseline year ended 31 December 2024.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.5 Pollution and Waste Management

Waste Management Policy

The Group's principal waste management policy endeavours an adoption of the waste management hierarchy (waste prevention followed by re-use, recycle, recovery and finally disposal) in order to achieve a green and paperless operation with a minimal generation of waste wherever possible and practical. The Group implements the following measures and objectives to achieve our waste control target.

- Endorse the '4-R Principles — Reduce, Reuse, Replace and Recycle' as our key policy of waste management;
- Extend our commitment to using sustainable products into every aspect of the business;
- Encourage all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents;
- Encourage an increased use of reusable product, such as envelopes, and better separation of waste streams for recycling;
- Encourage recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents;
- Strengthen our employee's awareness in environmental management, waste reduction and waste recycle, encourage them to be equipped with appropriate skills and knowledge with respect to the practice of sustainable development; and
- Closely keep up with the latest government's initiatives and policies in relation to waste management, waste reduction and recycle campaigns in order to allocate resources and formulate strategy in a timely manner.

3. PROTECTING THE ENVIRONMENT *(continued)*

3.5 Pollution and Waste Management *(continued)*

Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. The Group endeavours to recycle electronic waste and fluorescent tube throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs involved in disposal of these wastes that would otherwise be scrapped and treated as hazardous waste.

Non-hazardous Waste

The non-hazardous waste generated by the Group are mainly domestic waste including stationery and paper form our operations, among which, recyclable wastes will be recycled for reuse.

Table 3-4: Waste

Waste	Unit	FY2024	FY2023
Total Non-hazardous Waste Generated	tonne	**10**	33
Intensity of Non-hazardous Waste Generated	tonne/employee	**0.23**	0.78

The Group is committed to achieve the non-hazardous waste intensity between 90% to 120% for the next reporting period, against the level of the baseline year ended 31 December 2024.

3.6 Use of Resources

In light of finite earth's resources, the Group considers the conservation of natural resources through low-carbon practices as an indispensable component of our sustainable business. Due to the nature of the business, the Group does not have any direct and significant impact on the environment and natural resources during our operations. We have implemented various initiatives throughout our operations to keep on improving resource use efficiency, reducing and avoiding pollutant generation, while lowering our operating cost.

Water Consumption

The Group takes a cautious approach to water stewardship, seeking to maximize efficiency and reduce water consumption. We strive to engage all employees to develop a habit of conserving water consciously. Pantry is posted with environmental messages to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis. During the Reporting Period, we had no issue in sourcing water that is fit for purpose. The Group's water consumption was minimal and immaterial, hence we did not record the total water consumption and intensity during the Reporting Period.

Packaging Material

Given our business model, the Group does not have manufacturing facilities and does not consume a significant amount of packaging materials for our operation. However, we encourage our suppliers packaging management to promote the simplification, reduction, reuse, degradation and recycling of auto parts packaging.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. PROTECTING THE ENVIRONMENT *(continued)*

3.6 Use of Resources *(continued)*

Energy Consumption

Our environmental performance during the Reporting Period are tabulated below.

Table 3-5: Energy Consumption

Energy Consumption	Unit	FY2024	FY2023
Direct Energy Consumption			
Unleaded Petrol	kWh'000	**8**	28
Diesel	kWh'000	**18**	47
Town Gas	kWh'000	**–**	73
Indirect Energy Consumption			
Purchased Electricity	kWh'000	**147**	180
Total Energy Consumption	kWh'000	**173**	328
Energy Consumption Intensity	kWh'000/employee	**4.02**	7.82

The Group is committed to achieve the energy consumption intensity between 90% to 120% for the next reporting period, against the level of the baseline year ended 31 December 2024.

4. PEOPLE

4.1 A Workplace for People

The Group aims at providing a workplace with the attitude of "openness, equity, respect and inclusion". The Group promises to provide all employees with equal opportunities and a broad career development platform, so as to enhance employees' sense of belonging and enthusiasm and creativity.

Meanwhile, we continue to invest resources to absorb global talents with different backgrounds and support the development of employees, carry out cross-cultural communication and integration, and build a diversified talent team. We also make every effort to provide long-term employment opportunities for employees and local communities where we operate.

4.2 Occupational Health and Safety

The Group is committed to provide and maintain a safe, healthy, and hygienic workplace for all employees and all other persons likely to be affected by our operations and activities. Health and safety standards are given prime consideration in our operations, and regulatory compliance is strictly upheld. The goals of our Occupational Safety and Health ("**OSH**") policy are highlighted as below:

- Pursuit of a healthy, pleasant and safe workplace environment for our employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- Identification and management of risks and hazards throughout the workplaces as well as provision of follow-up actions for accidents or personal injuries;
- Zero tolerance of accidents and injuries;
- Promotion of a safety culture among employees; and
- Compliance with applicable laws and regulations in relation to occupational safety and health.

4. PEOPLE *(continued)*

4.2 Occupational Health and Safety *(continued)*

To achieve the goals of our OSH policy, the following measures are adopted:

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Promotion of safety culture among employees;
- Organization of induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Provision of OSH training sessions to employees according to their roles and responsibilities to ensure awareness of job hazards and conformity to safety practices with respect to OSH;
- Training courses and measures are reviewed and regularly reported to the management by the safety officer; and
- Prohibition of smoking and abuse of alcohol and drugs in workplaces.

During the Reporting Period, the Group compiled with the applicable laws and regulations in relation to providing safe working environment in the regions where we operated and protecting employees from occupational hazards, including the "Occupational Safety and Health Ordinance" of Hong Kong. The OSH policy is reviewed annually. The Group did not record any accident that resulted in death or serious physical injury during the Reporting Period. Summary of work-related fatalities and injuries during the Reporting Period is shown in the table below.

Table 4-1: Health and Safety

	FY2024	FY2023	FY2022
Number of Work-related Fatalities	**0**	0	0
Rate of Work-related Fatalities	**0%**	0%	0%
Lost Days due to Injury at Work	**0**	0	0

4. PEOPLE *(continued)*

4.3 Talent Attraction and Retention

Considering that every employee has unique talents and the potential to become a driving force for our corporate development and long-term growth, the Group is committed to a people-oriented approach and the development of competencies of our employees while proactively managing our talent pipeline and career development for them.

The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination. We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. We are committed to supporting our employees and maintaining a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in work.

In order to attract and retain our employees, the Group offers competitive wages and performance-based bonus, medical insurance, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its employee based on their duties, work experiences and the prevailing market practices. Apart from basic remuneration, Share Options may be granted to eligible employees by reference to the performance of the Group and individual employees. We are committed to providing career development resources to our employees to further nurture their skills and capabilities that will contribute to our long-term sustainable growth.

During the Reporting Period, we are in compliance with the applicable laws and regulations relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

4.4 Our Workforce

Hong Kong

The Group complied with the labour law and relevant employment laws and regulations throughout the Reporting Period, including the "Mandatory Provident Fund Schemes Ordinance", "Minimum Wage Ordinance", "Employment Ordinance" and "Employees' Compensation Ordinance" by offering competitive wages, retirement benefits, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees.

Mainland China

We participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the local laws and regulations, including the "Labour Contract Law of the PRC", "Labour Law of the PRC", "Social Insurance Law of the PRC" and "Regulations on the Management of Housing Provident Fund".

4. PEOPLE *(continued)*

4.4 Our Workforce *(continued)*

Japan

During the Reporting Period, the Group participated in Employee's Pension Insurance Scheme, accident insurance and medical insurance for eligible employee in accordance with the local regulations including the "Labour Standards Act" and "Labour Contract Act".

Germany

We complied with the employment law and regulations of Germany throughout the Reporting Period, including the "Civil Code", "General Equal Treatment Act", "Part-Time and Limited Term Employment Act", "Continuation of Remuneration Act", "Minimum Wage Act", "Protection Against Unfair Dismissal Act", "Minimum Vacation Act for Employees", "Works Constitution Act", "Hours of Employment Act", "Maternity Protection Act", "Federal Parental Benefit and Parental Leave Act" and "Labour Court Act".

Summary of employee composition is disclosed as follows:

Table 4-2: Our Workforce

	FY2024	FY2023
Total Number of Employees	**43**	42
By Gender		
Male	**28**	29
Female	**15**	13
By Age		
Under 30 years old	**2**	1
30–50 years old	**37**	38
Over 50 years old	**4**	3
By Employment Type		
Full-time	**41**	41
Part-time	**2**	1
By Geographical Region		
Hong Kong	**16**	19
Japan	**16**	12
The PRC	**10**	10
Germany	**1**	1

4. PEOPLE *(continued)*

4.4 Our Workforce *(continued)*

Table 4-3: Employee Turnover Rate

	FY2024	FY2023
Employee Turnover Rate	**14%**	38%
By Gender		
Male	**18%**	38%
Female	**7%**	38%
By Age		
Under 30 years old	**–**	400%
30–50 years old	**16%**	26%
Over 50 years old	**–**	67%
By Geographical Region		
Hong Kong	**31%**	21%
Japan	**–**	33%
The PRC	**–**	–
Germany	**100%**	800%

4.5 Talent Development and Training

The Group strives to create an environment of continuous learning to our employees. We pay full attention to the relevant regulatory changes and work closely with different departments to determine the continuous professional training required for relevant employees at all levels to improve their knowledge and skills for discharging duties at work and maintain their professional competence. Our training programmes are also designed for the benefit of society as a whole wherever possible. Details of the development and training programs are summarized as below.

4. PEOPLE *(continued)*

4.5 Talent Development and Training *(continued)*

Table 4-4: Development and Training Programs

Orientation Programs	Orientation programs are organized for new joiners by introducing the history and corporate culture of the Group, as well as functions of respective departments, aiming at helping them adapt to the new work environment affirmatively and quickly.
Continuous Professional Training	Continuous professional training is committed in different ways including internal training programs, comprehensive training for specific skill development, and courses for continuous professional development for relevant employees so as to ensure that they possess the appropriate qualities and skill-sets.
Thematic Training	Directors and senior management are encouraged to take part in professional thematic training and seminars including OSH, corporate governance, business development and strategy. Employees from respective departments are encouraged to take part in courses to strengthen and refresh their knowledge and management skills, including various topics stipulated in different ordinances, rules and guidelines such as the Securities and Futures Ordinance, Personal Data (Privacy) Ordinance, the Listing Rules, anti-money laundering ("AML"), anti-corruption and Know-Your-Client.

Table 4-5: Employee Training

	Unit	FY2024	FY2023
Average Hours of Training Completed per Employee	hours	**0.4**	0.3
By Gender			
Male	hours	**0.3**	0.3
Female	hours	**0.5**	0.4
By Employment Category			
Senior Staff	hours	**0.2**	0.2
Middle Staff	hours	**0.4**	0.4
Junior Staff	hours	**0.4**	0.4
Percentage of Employees Trained			
By Gender			
Male		**25%**	50%
Female		**47%**	50%
By Employment Category			
Senior Staff		**55%**	50%
Middle Staff		**27%**	25%
Junior Staff		**20%**	25%

4. PEOPLE *(continued)*

4.6 Labour Standards

The Group strictly prohibits the employment of any child labour and forced labour in any form, being fully aware that exploitation of child and forced labour violates human rights and international labour conventions. All candidates applying to a position in the Group are required to present their identity documents for inspection and ascertaining their identities, age and validity of employment status. Recruiting team is required to strictly review the documents including medical examination certificates, academic certificates and identity cards.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations relating to preventing child and forced labour, including the "Law of the PRC on the Protection of Minors" and "Provisions on Prohibition of Using Child Labour of the PRC". In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated, and the Group will report such incident to the relevant authorities as soon as practicable. No child and forced labour incident was reported during the Reporting Period.

5. OPERATING PRACTICES

The demand for environmental, ethical compliance and sustainable development are increasingly pressing both globally and locally. It is essential for us to encourage all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

During the Reporting Period, our operation complied with relevant laws and regulations in relation to health and safety, advertising, labelling and privacy matters, including the "Trade Descriptions Ordinance" of Hong Kong, "Consumer Protection Law of the PRC", "Advertising Law of the PRC", and "Product Quality Law of the PRC".

5.1 Innovation-driven Development

The Group anticipates that innovation and technology strategies shall play a crucial role in our long-term business development. We are determined to set ourselves in a good position to continuously and proactively introduce products, services and processes derived from high-tech oriented research and development, into our operation and business model wherever commercially feasible and appropriate.

5.2 Supply Chain Management

The Group understands that the supply chain management is always one of the key aspects of the Group's operation. Our sustainable supply chain includes the adoption of environmentally conscious operations in logistics, environmentally responsible sourcing of raw material, due diligence of material and product procurement, distribution and inventory management.

5. OPERATING PRACTICES *(continued)*

5.2 Supply Chain Management *(continued)*

We developed a vendor and supplier selection mechanism based on potential vendors' compliance with all applicable laws and regulations in relation to safety, environment, forced labour, child labour and other social aspects. Products and services with environmentally friendly and socially responsible features will be given a higher technical score during our assessment process. To evaluate the performance of the selected suppliers as well as to minimize the environmental and social risks along the supply chain, regular review and assessment on suppliers covering the business licenses and qualification, products safety and services quality, financial performance and credibility, integrity, and social responsibility will be conducted on a risk-basis approach. When the evaluation result of a supplier is not satisfactory, the supplier will be removed from the approved list.

Every supplier is required to comply with our code of practice, which prohibits the offering of gifts, loans, hospitality, services or favor in an improper manner. To promote environmentally preferable products and services when selecting suppliers, the Group encourages our business partners to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business, through developing energy-saving and consumption-reducing policies. For example, we recommend the suppliers to be engaged with the strategy of sustainable transport and logistics solutions such as using online carbon calculator for route planning in order to reduce carbon footprint throughout their delivery process.

No complaint was received from the suppliers and there was no disputed or unsettled debt. All payables were settled on or before due dates or a latest date as mutually agreed.

Table 5-1: Number of Suppliers by Geographical Region

Geographical Region	**FY2024**	FY2023
Europe	**13**	199
Japan	**273**	10
The PRC	**6**	2
The United States	**1**	2
The United Kingdom	**9**	–
Other Asia-Pacific countries	**6**	–
Total	**308**	213

5. OPERATING PRACTICES *(continued)*

5.3 Product and Service Responsibility

Quality Assurance

We are committed to the highest standards of services and products we deliver. The Group undertakes the defined quality assurance protocol to ensure products and services constantly meet customer requirements and legal and safety standards for its intended use and for circumstances of reasonably foreseeable misuse. We carry out regular assessment for each product type with respect to environmental impact, health impact, safety and hazards associated with raw materials. We ensure that every product is correctly labelled with sufficient information and directions for use required by legislation and industry codes of practice.

In the event that products are identified to be defective and a recall is necessary to be initiated, we will notify each client directly in a timely manner. Subject to the severity of the identified defect, (i) we may direct clients to the nearest authorized partner for repair and change of parts; (ii) we may send a "flying doctor" from our factory to clients for repair and change of parts, or (iii) we may assist clients to ship the car back to our factory for repair and change of parts. As part of our commitment to the highest quality of services and products, we are responsible for all expenses arising from the recall procedures for our clients.

Table 5-2: Product Recalls and Complaints

	FY2024	FY2023
Percentage of Total Products Sold or Shipped subject to Recalls for Safety and Health Reasons	**0%**	0%
Number of Products and Service Related Complaints Received	**0**	0

5.4 Privacy Protection

The Group emphasizes the importance of protecting our clients' personal data against unauthorized access, use or loss and we adhere to the "Personal Data (Privacy) Ordinance" of Hong Kong, "Personal Information Protection Law of the PRC", "Act on the Protection of Personal Information" of Japan and "Data Protection Directive" of Germany when collecting, processing and using clients' personal data. To safeguard clients' privacy, the Group takes practicable steps to ensure the clients' data are securely stored and the use of data is limited to or related to the original collection purpose. The Group respects the privacy rights of its stakeholders with utmost importance.

The Group sets out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group's operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

5. OPERATING PRACTICES *(continued)*

5.5 Anti-corruption

The Group makes every effort to uphold a high standard of business ethics and prohibition of any form of bribery and corrupt practice. The Group has developed a series of policies, compiled code-of-conduct and employee training with respect to anti-fraud and anti-bribery, which apply to all levels (including directors of the Company). In general, we require our employees to declare any conflict of interest, to avoid any possible conflict with sub-contractors or suppliers. We also encourage our business-related parties, including suppliers and sub-contractors to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group. Meanwhile, employees are encouraged to report any concern in relation to accounting and internal control matters to the Audit Committee, who will review each complaint and decide how the investigation should be conducted. The Audit Committee did not identify any complaint from employees during the Reporting Period. In addition, the Group arranged an anti-corruption session during the orientation training for the new employees. The Group will closely monitor the regulatory development and will arrange relevant anti-corruption training for our employees and directors, where necessary.

During the Reporting Period, the Group complied with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering in the regions where we operate, including the "Prevention of Bribery Ordinance" and "Anti-Money Laundering and Counter-Terrorist Financing Ordinance" of Hong Kong, "Anti-Money Laundering Law of the PRC", "Law against Unfair Competition of the PRC", "Penal Code" and "Unfair Competition Prevention Act" of Japan and "German Criminal Code". There was no concluded legal case regarding corrupt practices brought against us or our employees during the Reporting Period.

5.6 Whistle-blowing

In order to encourage our employees and those who deal with the Group (including customers and suppliers) to report illegality, irregularity, malpractice, unethical acts or behaviors, inappropriate conducts or actions, which may damage the Group's interests, we establish whistle-blowing policy and implement procedures for our employees and those who deal with the Group to report improprieties via a confidential reporting channel to the extent that is made possible to all employees and those who deal with the Group. The policy aims to encourage our employees and those who deal with the Group to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the laws and regulations, general practice of financial reporting and internal control.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a comprehensive and independent investigation for each reasonably established case. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

5. OPERATING PRACTICES *(continued)*

5.7 Protection of Intellectual Property Rights

The Group is committed to compliance with relevant laws and regulations in relation to intellectual property rights by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals, including but not limited to the "Trade Marks Ordinance" and "Copyright Ordinance" of Hong Kong, "Trademark Law of the PRC" and "Patent Law of the PRC". In order to prevent infringement and enhance copyright protection, a copyright compliance policy is in place covering the area of installation of computer software, making copies of copyright works or publication and use of internet.

5.8 Customer Satisfaction

Realizing that our customer needs and expectations should be well addressed, the Group highly values the level of satisfaction of clients and their feedback. Communication channels and feedback systems, such as telephone hotline, emails, social media and websites, are in place to collect information on satisfaction and suggestions for improvement from our diverse portfolio of clients regularly.

The Group consolidated and comprehensively analysed the customers' feedback in order to identify the issues. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the clients in a timely manner.

6. CONTRIBUTING TO OUR COMMUNITY

We believe the Group benefits from overall social development and should give back to the society in return. We are committed to making a better society through our active involvement in the community and taking concrete actions in helping the community and people in needs through community services. The contribution made by the Group mainly focused on community engagement and sponsorship programs.

During the Reporting Period, the Group supported the "Kyoto Food Delivery Project for Children" by spending over 20 hours in the campaign. The objective of this project is to deliver food and essential daily necessities directly to families with primary school children who are facing difficulties in meeting a normal standard of living in Japan. Through its involvement in this project, the Group demonstrated its dedication to social welfare and community development. By providing resources and actively engaging in such initiatives, the Group seeks to strengthen its relationship with the local community while making a meaningful impact on the lives of those in need.

Going forward, the Group will continue to foster the culture of participation in community engagement, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
A. ENVIRONMENTAL		
Aspect A1: Emissions		Protecting the Environment
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	
KPI A1.1	The types of emissions and respective emissions data	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
Aspect A2: Use of Resources		Protecting the Environment
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	
KPI A2.2	Water consumption in total and intensity	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	
Aspect A3: The Environment and Natural Resources		Protecting the Environment
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	
Aspect A4: Climate Change		Protecting the Environment
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
B. SOCIAL		
Employment and Labour Practices		
Aspect B1: Employment		People
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	
Aspect B2: Health and Safety		People
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	
KPI B2.2	Lost days due to work injury	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
Aspect B3: Development and Training		People
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	
KPI B3.1	The percentage of employees trained by gender and employee category	
KPI B3.2	The average training hours completed per employee by gender and employee category	
Aspect B4: Labour Standards		People
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	
Operating Practices		
Aspect B5: Supply Chain Management		Operating Practices
General Disclosure	Policies on managing environmental and social risks of the supply chain	
KPI B5.1	Number of suppliers by geographical region	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
Aspect B6: Product Responsibility		Operating Practices
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	
KPI B6.2	Number of products and service related complaints received and how they are dealt with	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	
KPI B6.4	Description of quality assurance process and recall procedures	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	

7. THE STOCK EXCHANGE ESG GUIDE CONTENT INDEX *(continued)*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report
Aspect B7: Anti-corruption		Operating Practices
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	
KPI B7.3	Description of anti-corruption training provided to directors and staff	
Community		
Aspect B8: Community Investment		Contributing to Our Community
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration the communities' interests	
KPI B8.1	Focus areas of contribution	
KPI B8.2	Resources contributed to the focus areas	

INDEPENDENT AUDITOR'S REPORT

EY 安永

To the shareholders of Apollo Future Mobility Group Limited
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Apollo Future Mobility Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 209, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for qualified opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As detailed in note 24 to the consolidated financial statements, the Group entered into an agreement (the "Agreement") during the year ended 31 December 2024 with a company incorporated in the British Virgin Islands ("Entity A"). Under the Agreement, Entity A was engaged to design, develop and manufacture of a crucial component of the Group's hypercars (the "design and development project"). In accordance with the Agreement, the Group made a payment of HK$93,600,000, which was recorded as "Deposit for research and development costs" as at 31 December 2024. A further payment of HK$108,400,000 was made to Entity A subsequent to the end of the reporting period, in accordance with the terms set out in the Agreement.

However, based on the Agreement and other evidences obtained during the audit, the specific deliverables to be provided by Entity A remain unclear, including but not limited to, the ownership of trademarks and other intellectual property rights (if any). Furthermore, the Group was unable to provide key information regarding to the design and development project, such as a detailed technical roadmap and defined milestones.

BASIS FOR QUALIFIED OPINION *(continued)*

Accordingly, we have been unable to obtain sufficient audit evidence to ascertain the overall arrangement for the design and development project and the nature of these payments, and thus we are unable to satisfy ourselves as to (i) the appropriateness of the accounting for the payment of HK$93,600,000 as "Deposit for research and development costs" as at 31 December 2024, including classification and recoverability; and (ii) the completeness and accuracy of the respective disclosures in the notes to the consolidated financial statements. Any adjustments found to be necessary might have a consequential effect on the financial position of the Group as at 31 December 2024 and its financial performance for the year then ended and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and other intangible assets with indefinite useful lives	
As at 31 December 2024, the Group had goodwill and other intangible assets with indefinite useful lives, representing trademarks (the "Intangible Assets"), acquired through business combinations allocated to mobility technology solutions cash-generating units ("CGUs") of the Group with net carrying amounts of approximately HK$542,369,000 and HK$151,653,000, respectively. Goodwill and the Intangible Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that their carrying amounts may be impaired. Impairment is determined by assessing the recoverable amounts of the respective CGUs to which the goodwill and the Intangible Assets relate and whether the recoverable amounts of the respective CGUs are less than their carrying amounts. For the year under review, the recoverable amounts of the respective CGUs have been determined based on the respective CGUs' fair value less costs of disposal using cash flow projections specific to each CGU and applying a discount rate which reflects specific risks relating to the CGU, with the assistance from certain independent professionally qualified valuers (the "external valuers"). The impairment testing of goodwill and the Intangible Assets required management to make certain estimates and assumptions that would affect the reported amounts of goodwill and the Intangible Assets and related disclosures in the consolidated financial statements. We focused on this area due to the magnitude of the balances involved and the significant judgements and estimates required in determining the recoverable amounts of the relevant CGUs. The related disclosures are included in notes 2.4, 3, 18 and 19 to the consolidated financial statements.	We evaluated management's impairment assessment of goodwill and the Intangible Assets. The key audit procedures we performed on evaluating the methodologies, assumptions and estimates used in the impairment assessment included, inter alia, (i) assessing the historical accuracy of the prior year's assumptions and estimates made by management, as appropriate; (ii) obtaining an understanding of the current and expected future developments of the CGUs and factors that might affect key assumptions and estimates of the fair values or cash flow projections and discount rates applicable to the CGUs; (iii) evaluating the objectivity, capabilities and competence of the external valuers engaged by the Group; (iv) involving our internal valuation specialists to assist us in evaluating the methodologies used and certain key assumptions and estimates made by management and/or the external valuers, including, inter alia, the specific discount rate and long term growth rate of each relevant CGU, with reference to relevant historical/market information, and other information, assumptions and estimates for the assessment of fair value less costs of disposal; (v) evaluating management's assessment about reasonable possible changes in relevant key assumptions and estimates, as appropriate; and (vi) reviewing the related disclosures on determination of recoverable amount in the consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value through profit or loss	
As at 31 December 2024, the Group's financial assets at fair value through profit or loss (before share of loss of an associate) of approximately HK$1,059,484,000 were categorised as Level 3 within the fair value hierarchy. For Level 3 valuation, the Group engaged certain independent professionally qualified valuers (the "external valuers") to apply valuation techniques to determine the fair values of the financial assets at fair value through profit or loss that are not quoted in active markets. These valuation techniques, in particular those that included significant unobservable inputs, involved subjective judgements, estimations and assumptions. The sensitivity of the assumptions used may have material impact on the valuation of these financial assets. We focused on this area due to the magnitude of the balance involved and the significant accounting judgements and estimates required in determining the fair values of these financial assets. The related disclosures are included in notes 2.4, 3, 22 and 41 to the consolidated financial statements.	With the assistance from our internal valuation specialists, we evaluated the valuation methodologies and assumptions adopted in the valuation of the financial assets at fair value through profit or loss that were categorised as Level 3 within the fair value hierarchy by (i) examining the terms of the financial instruments and the relevant agreements; and (ii) assessing the key parameters used, such as volatility, risk-free rate and discount rate, against available market information. We evaluated the objectivity, capabilities and competence of the external valuers engaged by the Group. We also reviewed the related disclosures in the consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of loans receivable, promissory note receivable and consideration receivables	
As at 31 December 2024, the Group had outstanding loans receivable, promissory note receivable and consideration receivables with net carrying amounts of approximately HK$159,157,000, nil and HK$25,065,000, respectively. Impairment losses recognised in the consolidated statement of profit or loss for the year in respect of the Group's loans receivable, promissory note receivable and consideration receivables amounted to approximately HK$70,127,000, HK$165,339,000 and HK$35,925,000, respectively. The Group assessed the expected credit loss for each loan receivable, promissory note receivable and consideration receivables by applying the probability of default approach under Hong Kong Financial Reporting Standard 9 *Financial Instruments* ("HKFRS 9"), with the assistance of certain independent professionally qualified valuers (the "external valuers"). Significant accounting judgements, estimates and assumptions are required in determining the expected credit losses of loans receivable, promissory note receivable and consideration receivables. We focused on this area due to the magnitude of the balance involved and the significant accounting judgments and estimates required in assessing the loss allowance for impairment of loans receivable, promissory note receivable and consideration receivables. The related disclosures are included in notes 2.4, 3, 23 and 24 to the consolidated financial statements.	With the assistance of our internal specialists, we evaluated the reasonableness and appropriateness of the methodologies and assumptions adopted as well as information and parameters used in the Group's impairment assessment of loans receivable, promissory note receivable and consideration receivables. Our key audit procedures performed included, inter alia, (i) examining background information and repayment capability of the debtors, such as available credit assessments and information regarding the creditability/financial strengths of the debtors; (ii) assessing the reasonableness and appropriateness of management's judgement on determining if a significant increase in credit risk has occurred or a receivable is credit-impaired and the basis for classification of exposures into the 3 stages as required by HKFRS 9 and examining supporting information to assess the appropriateness of the classification of exposures as at the end of the reporting period; (iii) testing the accuracy of key data sources and parameters applied in the expected credit loss computations by checking to appropriate supporting information and the relevant agreements; and (iv) assessing the reasonableness and appropriateness of the methodologies and assumptions adopted as well as information and parameters used by checking to applicable external data sources and other available information, taking into consideration the fair value of any collaterals and other relevant information, and the impact of forward looking factors. We evaluated the objectivity, capabilities and competence of the external valuers engaged by the Group. We also reviewed the related disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for qualified opinion* section above, we were unable to obtain sufficient appropriate evidence to ascertain the overall arrangement for the design and development project and the nature of those payments, and thus we are unable to satisfy ourselves as to (i) the appropriateness of the accounting; and (ii) the completeness and accuracy of the respective disclosures. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Tsz Tat.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong
31 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	5	**340,198**	279,213
Cost of sales		**(324,474)**	(216,066)
Gross profit		**15,724**	63,147
Other income	6	**35,828**	2,079
Other losses, net	7	**(1,257,476)**	(597,242)
Selling and distribution expenses		**(8,402)**	(10,959)
General and administrative expenses		**(149,386)**	(161,022)
Research and development costs		**(184,619)**	(24,773)
Finance costs	9	**(3,938)**	(22,187)
Share of profits and losses of:			
Joint venture		**(56,954)**	(96,784)
Associate		**50,374**	(20,164)
LOSS BEFORE TAX	8	**(1,558,849)**	(867,905)
Income tax credit/(expense)	12	**9,757**	(1,071)
LOSS FOR THE YEAR		**(1,549,092)**	(868,976)
Attributable to:			
Owners of the Company		**(1,538,341)**	(860,535)
Non-controlling interests		**(10,751)**	(8,441)
		(1,549,092)	(868,976)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	14		
Basic		**HK(180.0) cents**	HK(179.0) cents
Diluted		**HK(180.0) cents**	HK(182.9) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
LOSS FOR THE YEAR		**(1,549,092)**	(868,976)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(91,470)**	(49,805)
Reclassification adjustments for foreign operations disposed of during the year	36	**–**	792
		(91,470)	(49,013)
Share of other comprehensive loss of an associate		**(2,158)**	(1,591)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(93,628)**	(50,604)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,642,720)**	(919,580)
Attributable to:			
Owners of the Company		**(1,631,584)**	(912,234)
Non-controlling interests		**(11,136)**	(7,346)
		(1,642,720)	(919,580)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**63,964**	70,110
Investment properties	16	**10,971**	12,321
Right-of-use assets	17(a)	**20,547**	51,480
Goodwill	18	**542,369**	1,253,509
Other intangible assets	19	**195,056**	260,829
Interest in a joint venture	20	**–**	–
Interest in an associate	21	**–**	–
Loans receivable	23	**66,723**	83,983
Deposits	24	**2,442**	155
Financial assets at fair value through profit or loss	22	**411,521**	1,466,135
Deferred tax assets	32	**3,728**	1,807
Total non-current assets		**1,317,321**	3,200,329
CURRENT ASSETS			
Inventories	25	**42,040**	75,871
Accounts receivable	26	**8,596**	1,844
Loans receivable	23	**92,434**	125,560
Prepayments, deposits and other receivables	24	**283,264**	451,678
Financial assets at fair value through profit or loss	22	**658,635**	–
Tax recoverable		**–**	98
Cash and cash equivalents	27	**464,844**	64,289
Total current assets		**1,549,813**	719,340
CURRENT LIABILITIES			
Accounts payable	28	**83,244**	101,379
Other payables and accruals	29	**451,672**	263,718
Interest-bearing bank borrowings	30	**2,804**	19,586
Lease liabilities	17(b)	**3,277**	2,743
Convertible bonds	31	**298,304**	121,182
Tax payable		**15,398**	16,145
Total current liabilities		**854,699**	524,753
NET CURRENT ASSETS		**695,114**	194,587
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,012,435**	3,394,916

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	30	**13,571**	18,179
Lease liabilities	17(b)	**4,570**	77
Deferred tax liabilities	32	**27,533**	35,203
Total non-current liabilities		**45,674**	53,459
Net assets		**1,966,761**	3,341,457
EQUITY			
Equity attributable to owners of the Company			
Issued capital	33	**10,224**	4,807
Reserves	35	**1,989,429**	3,358,406
		1,999,653	3,363,213
Non-controlling interests		**(32,892)**	(21,756)
Total equity		**1,966,761**	3,341,457

Mr. Hui Chun Ying
Director

Ms. Chen Yi Zi
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Attributable to owners of the Company										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Reverse funds HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2023		961,310	6,539,061	–	(199,437)	392	171,394	11	(3,197,284)	4,275,447	(14,661)	4,260,786
Loss for the year		–	–	–	–	–	–	–	(860,535)	(860,535)	(8,441)	(868,976)
Other comprehensive income/(loss) for the year:												
Exchange differences on translation of foreign operations		–	–	–	(50,900)	–	–	–	–	(50,900)	1,095	(49,805)
Reclassification adjustment for foreign operations disposed of during the year	36	–	–	–	792	–	–	–	–	792	–	792
Share of other comprehensive loss of an associate		–	–	–	(1,591)	–	–	–	–	(1,591)	–	(1,591)
Total comprehensive loss for the year		–	–	–	(51,699)	–	–	–	(860,535)	(912,234)	(7,346)	(919,580)
Disposal of subsidiaries	36	–	–	–	–	–	–	–	–	–	251	251
Cancellation of share premium account		–	(6,539,061)	6,539,061	–	–	–	–	–	–	–	–
Capital reduction	33	(956,503)	–	956,503	–	–	–	–	–	–	–	–
Transfer of share option reserve upon the forfeiture of share options		–	–	–	–	–	(1,729)	–	1,729	–	–	–
At 31 December 2023		4,807	–	7,495,564	(251,136)	392	169,665	11	(4,056,090)	3,363,213	(21,756)	3,341,457

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

For the year ended 31 December 2024

	Notes	Attributable to owners of the Company										
		Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Reverse funds HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024		4,807	–	7,495,564	(251,136)	392	169,665	11	(4,056,090)	3,363,213	(21,756)	3,341,457
Loss for the year		–	–	–	–	–	–	–	(1,538,341)	(1,538,341)	(10,751)	(1,549,092)
Other comprehensive loss for the year:												
Exchange differences on translation of foreign operations		–	–	–	(91,085)	–	–	–	–	(91,085)	(385)	(91,470)
Share of other comprehensive loss of an associate		–	–	–	(2,158)	–	–	–	–	(2,158)	–	(2,158)
Total comprehensive loss for the year		–	–	–	(93,243)	–	–	–	(1,538,341)	(1,631,584)	(11,136)	(1,642,720)
Issue of shares	33	5,417	248,610	–	–	–	–	–	–	254,027	–	254,027
Share issue expenses		–	(2,784)	–	–	–	–	–	–	(2,784)	–	(2,784)
Equity-settled share option arrangements	34	–	–	–	–	–	16,781	–	–	16,781	–	16,781
Transfer of share option reserve upon the forfeiture of share options		–	–	–	–	–	(77,675)	–	77,675	–	–	–
At 31 December 2024		10,224	245,826*	7,495,564*	(344,379)*	392*	108,771*	11*	(5,516,756)*	1,999,653	(32,892)	1,966,761

* These reserve accounts comprise the consolidated reserves of HK$1,989,429,000 (2023: HK$3,358,406,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(1,558,849)**	(867,905)
Adjustments for:			
Finance costs	9	**3,938**	22,187
Share of loss of a joint venture		**56,954**	96,784
Share of loss/(profit) of an associate		**(50,374)**	20,164
Bank interest income	6	**(1,444)**	(988)
Other interest income	6	**(27,597)**	–
Fair value losses/(gains) on investment properties	7	**1,008**	(287)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	7	**327,195**	(72,691)
Fair value gains on convertible bonds	7	**(4,073)**	(10,617)
Gain on disposal of subsidiaries	7	**–**	(24,122)
Gain on early termination of leases	7	**(2)**	–
Impairment of goodwill	7	**646,063**	410,210
Impairment of accounts receivable, net	7	**2,894**	362
Impairment of loans receivable, net	7	**70,127**	97,195
Impairment of other receivables, net	7	**201,264**	179,138
Loss on assignment of a loan receivable	7	**–**	12,170
Loss on disposal of items of property, plant and equipment and right-of-use assets, net	7	**1,193**	–
Write-off of items of property, plant and equipment	7	**–**	1,649
Depreciation of property, plant and equipment	8	**4,862**	6,116
Depreciation of right-of-use assets	8	**4,077**	4,174
Amortisation of other intangible assets	8	**46,276**	17,633
Write-down of inventories to net realisable value	8	**10,517**	16,980
Equity-settled share option expense	34	**16,781**	–
		(249,190)	(91,848)
Decrease/(increase) in inventories		**20,807**	(8,471)
Decrease/(increase) in accounts receivable		**(9,935)**	35,993
Increase in loans receivable		**(21,237)**	(18,936)
Decrease/(increase) in prepayments, deposits and other receivables		**(9,700)**	12,693
Decrease in accounts payable		**(15,043)**	(3,274)
Increase in other payables and accruals		**135,610**	45,564
Cash used in operations		**(148,688)**	(28,279)
Hong Kong profits tax paid		**–**	(660)
Overseas taxes paid		**(29)**	(22)
Net cash flows used in operating activities		**(148,717)**	(28,961)

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**1,444**	988
Purchases of items of property, plant and equipment		**(4,147)**	(2,042)
Proceeds from disposal of items of property, plant and equipment and right-of-use assets		**34,429**	–
Additions to other intangible assets		**–**	(19,508)
Disposal of subsidiaries	36	**–**	193,362
Investment in a joint venture		**–**	(39,290)
Proceed from disposal of a financial asset at fair value through profit or loss		**117,000**	–
Net cash flows from investing activities		**148,726**	133,510
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**215,027**	–
Share issue expenses		**(2,784)**	–
Proceeds from issue of convertible bonds	37(b)	**300,000**	–
Repayment of convertible bonds	37(b)	**(78,000)**	(46,800)
New bank borrowings	37(b)	**–**	16,550
Repayment of bank borrowings	37(b)	**(19,034)**	(63,662)
Principal portion of lease payments		**(3,162)**	(7,308)
Interest paid		**(5,743)**	(19,806)
Net cash flows from/(used in) financing activities		**406,304**	(121,026)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**406,313**	(16,477)
Cash and cash equivalents at beginning of year		**64,289**	81,316
Effect of foreign exchange rate changes, net		**(5,758)**	(550)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**464,844**	64,289
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	**136,365**	61,002
Non-pledged time deposits with original maturity of less than three months when acquired	27	**328,479**	3,287
		464,844	64,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE AND GROUP INFORMATION

Apollo Future Mobility Group Limited was incorporated in the Cayman Islands as an exempted company with limited liability duly registered and validly existing under the laws of Bermuda. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Units 2001–2002, 20/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- designing, developing, manufacturing and sales of high performance hypercars and provision of mobility technology solutions;
- retailing and wholesale of jewellery products, watches and other commodities; and
- money lending.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2024	2023	Principal activities
Ming Fung Investment Holdings Limited ("Ming Fung Investment")	British Virgin Islands ("BVI")	US$1,000	**100**	100	Investment holding
GLM Co., Ltd. ("GLM")	Japan	Japanese Yen ("JPY") 100,000,000	**88.56**	88.56	Provision of mobility technology solutions
Sino Partner Global Limited ("Sino Partner")	BVI	US$23,299	**86.06**	86.06	Investment holding
Apollo Automobile Limited	England and Wales	£100	**86.06**	86.06	Holder of trademark
Apollo Automobil Limited	Hong Kong	HK$10,000	**86.06**	86.06	Sales of high performance hypercars
Apollo Automobil GmbH	Germany	Euro ("EUR") 25,000	**86.06**	86.06	Design, development and manufacturing of high performance hypercars

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2024	2023	Principal activities
Grand Destiny Venture Ltd. ("Grand Destiny")	BVI	US$1	**100**	100	Investment holding
Global 3D Printing Ltd. ("Global 3D Printing")	Cayman Islands	US$1	**100**	100	Investment holding
Shenzhen Qijingda Trading Company Limited (深圳市琪晶達貿易有限公司) (notes (b), (c) and (d))	People's Republic of China (the "PRC")/ Mainland China	Renminbi ("RMB") 100,000,000	**100**	100	Retail and wholesale of jewellery products, watches and other commodities
Raise Success Limited ("Raise Success")	Hong Kong	HK$2	**100**	100	Money lending

Notes:

(a) Except for Ming Fung Investment, Sino Partner, Grand Destiny, Global 3D Printing, Raise Success and the 85.52% (2023: 85.52%) equity interest in GLM which are directly held by the Company, all the above subsidiaries and the remaining 3.04% (2023: 3.04%) equity interest in GLM are indirectly held by the Company.

(b) Limited liability company established in the PRC

(c) English name for identification only

(d) Registered as a wholly-foreign-owned enterprise in the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and convertible bonds which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits/accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective Hong Kong financial reporting standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective Hong Kong financial reporting standards *(continued)*

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effect these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact to the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective Hong Kong financial reporting standards *(continued)*

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies

Investments in an associate and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of the associate and joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investments in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the associate or joint venture is included as part of the Group's investments in an associate or a joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Business combinations and goodwill *(continued)*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, financial assets at fair value through profit or loss and convertible bonds at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	2% to 5%
Leasehold improvements	Over the shorter of the lease terms and 10% to 20%
Plant and machinery	6% to 50%
Furniture, fixtures and office equipment	13% to 33%
Motor vehicles	15% to 50%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The Group's intangible assets represent (i) deferred development costs as further explained below; and (ii) trademarks with indefinite useful lives, which are stated at cost less any impairment losses.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding seven years.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "Investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(b) Lease liabilities *(continued)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in the period in which they are earned.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Financial assets *(continued)*

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets which are not held within the aforementioned business model are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of financial assets *(continued)*

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For accounts receivable that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Financial liabilities *(continued)*

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (accounts and other payables, and borrowings)

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is recognised in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, an associate and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Sales of jewellery products, watches and other commodities
Revenue from the sale of jewellery products, watches and other commodities is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) Sales and distribution of vehicles and related components and provision of engineering services
Revenue from the sale of vehicles and related components and provision of engineering services is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery to the customers.

(c) Provision of design, development and prototyping of vehicle components
Revenue from the provision of design, development and prototyping of vehicle components is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from other sources

Interest income from loan financing is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Other income

Bank interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms.

Licensing income is recognised over the licensing periods for granting the right to access the brands for the specified products.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees and others providing similar services is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity-settled transactions with parties other than employees is measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value is measured indirectly by reference to the fair value of the equity instruments granted. The fair value of the share options granted is determined by an external valuer using a binomial model, further details of which are given in note 34 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Share-based payments *(continued)*

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

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

The employees of the Group's subsidiaries which operate in Mainland China and overseas are required to participate in central pension schemes operated by the local government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Foreign currencies *(continued)*

The functional currencies of certain overseas subsidiaries, joint venture and associate are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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

Inventory provision

The Group sells jewellery products and watches, which are subject to changing consumer demands and fashion trends, and high performance vehicles and related components. Significant judgement is required to assess the appropriate level of inventory provision for these jewellery products and watches and vehicles and related components which might be sold below cost.

To consider whether any write-down of inventories is required, the Group estimates the net realisable value of inventories based on, inter alia, the condition of the inventories, current market conditions, relevant historical and current sales information, and the expected future sales of goods, as well as the ageing of inventories to identify slow-moving items.

3. SIGNIFICANT ACCOUNTING ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets, observable market prices, transaction prices of similar assets in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, or other valuation techniques, as appropriate, less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis or at other times when an indicator of impairment exists. This requires an estimation of the fair value less costs of disposal or value in use of each cash-generating unit to which the goodwill is allocated. The determination of fair value less costs of disposal is based on available data from comparable binding sales transactions in an arm's length transaction or observable market prices, or other valuation techniques, as appropriate. Estimating the fair value less costs of disposal using the discounted cash flow method and estimating the value in use require the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The net carrying amount of goodwill at 31 December 2024 of approximately HK$542,369,000 (2023: HK$1,253,509,000) was allocated to the mobility technology solutions cash-generating units. Further details of the methodologies, assumptions and estimates adopted to arrive at the recoverable amounts of the respective cash-generating units to which the goodwill is allocated are set out in note 18 to the financial statements. Attributable to the nature and the underlying stage of development of the cash-generating units, the related industries and relevant markets, as well as other forward-looking factors, and the valuation methodologies adopted, the recoverable amounts of the respective cash-generating units are sensitive to the assumptions and estimates, in particular the respective estimated long-term growth rates and discount rates adopted, underlying their calculations. Any significant unexpected changes/variations of underlying assumptions and estimates might have material impact on the recoverable amounts of the respective cash-generating units and, consequently, the net carrying amounts of the goodwill allocated to the respective cash-generating units within the next financial year.

Useful lives of intangible assets with finite useful lives

Management determines the estimated useful lives of the Group's intangible assets with finite lives for the calculation of amortisation of intangible assets. This estimate is determined after considering the expected period in which economic benefits can be generated from the intangible assets. Management reviews the estimated useful lives on an annual basis and future amortisation charges are adjusted where management believes the useful lives differ from previous estimates.

3. SIGNIFICANT ACCOUNTING ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Provision for expected credit losses on accounts receivable

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's accounts receivable is disclosed in note 26 to the financial statements.

Provision for expected credit losses on loans receivable and other receivables

The measurement of impairment losses under HKFRS 9 on loans receivable and other receivables requires judgement and estimates, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes qualitative and quantitative information and also forward-looking analysis. The information about the ECLs on the Group's loans receivable and other receivables is disclosed in notes 23 and 24 to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements and estimates include considerations of inputs such as volatility, risk-free rate and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of share options

The determination of the fair value of the share options granted requires judgements and estimates in determining the expected volatility of share price, the expected dividend yield, the expected life of the options and the number of share options that are expected to vest. Where the outcome of the number of options that are vested is different, such difference will impact the profit or loss in the subsequent remaining vesting period of the relevant share options.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) Mobility technology solutions segment — design, development, manufacturing and sales of high performance hypercars, and provision of mobility technology solutions;

(b) Jewellery products, watches and other commodities segment — retailing and wholesale of jewellery products, watches and other commodities; and

(c) Money lending segment — provision of loan finance.

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31 December 2024

4. OPERATING SEGMENT INFORMATION *(continued)*

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that bank interest income, other interest income, fair value loss on listed equity investments, net, fair value gains on convertible bonds, gain on disposal of subsidiaries, non-lease-related finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude investment properties, deferred tax assets, listed equity investments, tax recoverable, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude certain interest-bearing bank borrowings, convertible bonds, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2024/at 31 December 2024

	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Money lending HK$'000	Total HK$'000
Segment revenue:				
Revenue from external customers	40,595	290,968	8,635	340,198
Segment results	(1,208,878)	(29,259)	(64,269)	(1,302,406)
Reconciliation				
Bank interest income				1,444
Other interest income				27,597
Fair value gains on convertible bonds				4,073
Fair value loss on listed equity investments, net				(11,091)
Corporate and other unallocated income and expenses, net				(274,801)
Finance costs (other than interest on lease liabilities)				(3,665)
Loss before tax				(1,558,849)

4. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024/at 31 December 2024 *(continued)*

	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Money lending HK$'000	Total HK$'000
Segment assets	1,989,369	200,188	115,665	2,305,222
Reconciliation				
Corporate and other unallocated assets				561,912
Total assets				2,867,134
Segment liabilities	134,014	226,178	51	360,243
Reconciliation				
Corporate and other unallocated liabilities				540,130
Total liabilities				900,373
Other segment information:				
Capital expenditure	3,752	395	–	4,147
Interest in a joint venture	–	–	–	–
Interest in an associate	–	–	–	–
Share of loss of a joint venture	56,954	–	–	56,954
Share of profit of an associate	(50,374)	–	–	(50,374)
Fair value losses on financial assets at fair value through profit or loss****	316,104	–	–	316,104
Impairment of goodwill	646,063	–	–	646,063
Impairment of accounts receivable, net	2,894	–	–	2,894
Impairment of loans receivable, net	–	–	70,127	70,127
Impairment of other receivables***	–	7,368	–	7,368
Depreciation of property, plant and equipment*	2,964	412	–	3,376
Depreciation of right-of-use assets**	31	866	–	897
Amortisation of other intangible assets	46,276	–	–	46,276
Write-down of inventories to net realisable value	1,257	9,260	–	10,517

* Depreciation of property, plant and equipment amounting to HK$1,486,000 is included in corporate and other unallocated income and expenses, net above.

** Depreciation of right-of-use assets amounting to HK$3,180,000 is included in corporate and other unallocated income and expenses, net above.

*** Impairment of other receivables amounting to HK$165,339,000 is included in corporate and other unallocated income and expenses, net above.

**** Fair value loss on financial asset at fair value through profit or loss amounting to HK$11,091,000 is included in corporate and other unallocated income and expenses, net above.

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4. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2023/at 31 December 2023

	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Money lending HK$'000	Total HK$'000
Segment revenue:				
Revenue from external customers	14,223	237,378	27,612	279,213
Segment results	(553,210)	18,082	(93,347)	(628,475)
Reconciliation				
Bank interest income				988
Fair value gains on convertible bonds				10,617
Gain on disposal of subsidiaries				24,122
Corporate and other unallocated income and expenses, net				(253,612)
Finance costs (other than interest on lease liabilities)				(21,545)
Loss before tax				(867,905)
Segment assets	3,079,891	167,237	185,752	3,432,880
Reconciliation				
Corporate and other unallocated assets				486,789
Total assets				3,919,669
Segment liabilities	140,196	200,748	–	340,944
Reconciliation				
Corporate and other unallocated liabilities				237,268
Total liabilities				578,212

4. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2023/at 31 December 2023 *(continued)*

	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Money lending HK$'000	Total HK$'000
Other segment information:				
Capital expenditure*	20,911	605	–	21,516
Interest in a joint venture	–	–	–	–
Interest in an associate	–	–	–	–
Share of loss of a joint venture	96,784	–	–	96,784
Share of loss of an associate	20,164	–	–	20,164
Fair value gains on financial assets at fair value through profit or loss	(72,691)	–	–	(72,691)
Impairment of goodwill	410,210	–	–	410,210
Impairment of accounts receivable, net	346	16	–	362
Impairment of loans receivable, net	–	–	97,195	97,195
Depreciation of property, plant and equipment**	3,820	162	–	3,982
Depreciation of right-of-use assets***	47	575	–	622
Amortisation of other intangible assets	17,633	–	–	17,633
Write-down/(reversal of write-down) of inventories to net realisable value	(707)	17,687	–	16,980

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets. Capital expenditure for additions to property, plant and equipment amounting to HK$34,000 is included in corporate and other unallocated assets above.

** Depreciation of property, plant and equipment amounting to HK$2,134,000 is included in corporate and other unallocated income and expenses, net above.

*** Depreciation of right-of-use assets amounting to HK$3,552,000 is included in corporate and other unallocated income and expenses, net above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographic information

(a) Revenue from external customers

	2024 **HK$'000**	2023 HK$'000
Mainland China	**290,968**	237,378
Hong Kong	**8,635**	28,987
Other countries/regions	**40,595**	12,848
Total revenue	**340,198**	279,213

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 **HK$'000**	2023 HK$'000
Mainland China	**42,996**	150,835
Hong Kong	**542,463**	819,465
Japan	**223,344**	559,859
Europe	**24,104**	118,090
Total non-current assets	**832,907**	1,648,249

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Information about major customers

Revenue from external customers contributing over 10% to the Group's total revenue is as follows:

	2024 **HK$'000**	2023 HK$'000
Customer A	**N/A***	76,061
Customer B	**N/A***	40,353
Customer C	**102,632**	–

The above revenue is reported under the jewellery products, watches and other commodities segment.

* Less than 10% of the total revenue of the Group in the respective year.

5. REVENUE

An analysis of revenue is as follows:

	2024 **HK$'000**	2023 HK$'000
Revenue from contracts with customers		
Sales and distribution of vehicles and related components, provision of engineering services, and provision of design, development and prototyping of vehicle components	**40,595**	14,223
Sales of jewellery products, watches and other commodities	**290,968**	237,378
Subtotal	**331,563**	251,601
Revenue from other sources		
Interest income from loan financing	**8,635**	27,612
Total	**340,198**	279,213

5. REVENUE *(continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

2024

Segments	**Mobility technology solutions HK$'000**	**Jewellery products, watches and other commodities HK$'000**	**Total HK$'000**
Types of goods or services			
Sales and distribution of vehicles and related components and provision of engineering services	40,595	–	40,595
Sales of jewellery products, watches and other commodities	–	290,968	290,968
Total	40,595	290,968	331,563
Geographical markets			
Mainland China	–	290,968	290,968
United States	16,378	–	16,378
Germany	3,178	–	3,178
Japan	21,039	–	21,039
Total	40,595	290,968	331,563
Timing of revenue recognition			
At a point in time	38,071	290,968	329,039
Over time	2,524	–	2,524
Total	40,595	290,968	331,563

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

2023

Segments	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Total HK$'000
Types of goods or services			
Sales and distribution of vehicles and related components, provision of engineering services, and provision of design, development and prototyping of vehicle components	14,223	–	14,223
Sales of jewellery products, watches and other commodities	–	237,378	237,378
Total	14,223	237,378	251,601
Geographical markets			
Mainland China	–	237,378	237,378
Hong Kong	1,375	–	1,375
Germany	11,672	–	11,672
Japan	1,176	–	1,176
Total	14,223	237,378	251,601
Timing of revenue recognition			
At a point in time	6,964	237,378	244,342
Over time	7,259	–	7,259
Total	14,223	237,378	251,601

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

2024

Segments	**Mobility technology solutions HK$'000**	**Jewellery products, watches and other commodities HK$'000**	**Total HK$'000**
Revenue from contracts with customers			
External customers	**40,595**	**290,968**	**331,563**

2023

Segments	Mobility technology solutions HK$'000	Jewellery products, watches and other commodities HK$'000	Total HK$'000
Revenue from contracts with customers			
External customers	14,223	237,378	251,601

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 HK$'000	2023 HK$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of jewellery products, watches and other commodities	**3,551**	2,398
Sales and distribution of vehicles and related components and provision of engineering services	**30,530**	–
Total	**34,081**	2,398

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of jewellery products, watches and other commodities

The performance obligation is satisfied upon delivery of the jewellery products, watches and other commodities and payment is generally due immediately at the point the customer purchases the goods or within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide certain customers with volume rebates which give rise to variable consideration subject to constraint.

Sales and distribution of vehicles and related components and provision of engineering services

The performance obligation for the sale of vehicles and related components and provision of engineering services is satisfied upon delivery of the vehicles or engineering platform and payment is generally due within 30 days from delivery.

Provision of design, development and prototyping of vehicle components

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of invoice.

6. OTHER INCOME

An analysis of the Group's other income is as follows:

	2024	2023
	HK$'000	HK$'000
Bank interest income	**1,444**	988
Other interest income	**27,597**	–
Rental income	**570**	163
Licensing income	**2,180**	–
Others	**4,037**	928
Total	**35,828**	2,079

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7. OTHER LOSSES, NET

An analysis of the Group's other losses, net, is as follows:

	2024 HK$'000	2023 HK$'000
Fair value gains/(losses) on investment properties	(1,008)	287
Fair value gains/(losses) on financial assets at fair value through profit or loss, net — mandatorily classified as such, including those held for trading	(327,195)	72,691
Fair value gains on convertible bonds	4,073	10,617
Gain on disposal of subsidiaries	–	24,122
Gain on early termination of leases	2	–
Foreign exchange differences, net	(11,375)	(4,209)
Impairment of goodwill	(646,063)	(410,210)
Impairment of accounts receivable, net	(2,894)	(362)
Impairment of loans receivable, net	(70,127)	(97,195)
Impairment of other receivables, net	(201,264)	(179,138)
Loss on assignment of a loan receivable	–	(12,170)
Loss on disposal of items of property, plant and equipment and right-of-use assets, net	(1,193)	–
Write-off of items of property, plant and equipment	–	(1,649)
Others	(432)	(26)
Total	(1,257,476)	(597,242)

8. LOSS BEFORE TAX

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

	Notes	2024 HK$'000	2023 HK$'000
Cost of inventories sold		**313,957**	193,996
Depreciation of property, plant and equipment	15	**4,862**	6,116
Depreciation of right-of-use assets	17(a)	**4,077**	4,174
Amortisation of other intangible assets	19	**46,276**	17,633
Lease payments not included in the measurement of lease liabilities	17(c)	**2,065**	2,561
Auditor's remuneration		**8,080**	7,800
Employee benefit expense (including directors' and chief executive's remuneration (note 10)):			
Salaries, allowances, bonuses and other benefits		**30,458**	61,652
Equity-settled share option expense		**16,781**	–
Pension scheme contributions (defined contribution schemes) (note)		**1,580**	4,972
Total		**48,819**	66,624
Write-down of inventories to net realisable value		**10,517**	16,980

Note:

At 31 December 2024, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK$'000	2023 HK$'000
Interest on interest-bearing bank borrowings	**2,026**	4,422
Interest on lease liabilities	**273**	642
Interest on convertible bonds	**1,639**	17,123
Total	**3,938**	22,187

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 **HK$'000**	2023 HK$'000
Fees	**2,662**	2,522
Other emoluments:		
Salaries, allowances and other benefits	**2,957**	12,298
Equity-settled share option expense	**5,008**	–
Pension scheme contributions	**28**	82
Subtotal	**7,993**	12,380
Total	**10,655**	14,902

During the year, certain directors and the chief executive were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 34 to the financial statements. The fair value of such options, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year was included in the above directors' and chief executive's remuneration disclosures.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(a) Independent non-executive directors

	Fees HK$'000	Equity-settled share option expense HK$'000	Total remuneration HK$'000
2024			
Mr. Teoh Chun Ming (note (i))	**112**	**–**	**112**
Mr. Peter Edward Jackson	**250**	**179**	**429**
Mr. Charles Matthew Pecot III	**250**	**179**	**429**
Ms. Hau Yan Hannah Lee	**250**	**179**	**429**
Total	**862**	**537**	**1,399**
2023			
Mr. Teoh Chun Ming	250	–	250
Mr. Peter Edward Jackson	250	–	250
Mr. Charles Matthew Pecot III	250	–	250
Ms. Hau Yan Hannah Lee	250	–	250
Total	1,000	–	1,000

Note:

(i) Mr. Teoh Chun Ming resigned as an independent non-executive director of the Company with effect from 13 June 2024.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(b) Executive directors, the chief executive and non-executive directors

	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Equity-settled share option expense HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2024					
Executive directors/chief executive					
Mr. Hui Chun Ying	–	1,800	1,792	18	3,610
Ms. Chen Yi Zi	1,800	–	1,792	–	3,592
Mr. Lee Jackie Kai Yat (note(i))	–	1,157	887	10	2,054
Total	1,800	2,957	4,471	28	9,256
2023					
Executive directors/chief executive					
Mr. Hui Chun Ying (note (ii))	–	505	–	3	508
Mr. Ho King Fung, Eric (note (iii))	–	3,800	–	13	3,813
Ms. Chen Yi Zi (note (iv))	–	300	–	–	300
Mr. Joseph Lee (note (v))	–	3,840	–	15	3,855
Mr. Qi Zhenggang (note (vi))	–	3,853	–	51	3,904
Subtotal	–	12,298	–	82	12,380
Non-executive directors					
Mr. Freeman Hui Shen (note (vii))	–	–	–	–	–
Mr. Wilfried Porth (note (viii))	1,522	–	–	–	1,522
Subtotal	1,522	–	–	–	1,522
Total	1,522	12,298	–	82	13,902

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(b) Executive directors, the chief executive and non-executive directors *(continued)*

Notes:

(i) Mr. Lee Jackie Kai Yat was appointed as the chief executive officer of the Company with effect from 13 June 2024.

(ii) Mr. Hui Chun Ying was appointed as an executive director of the Company with effect from 20 September 2023.

(iii) Mr. Ho King Fung, Eric resigned as an executive director of the Company with effect from 20 September 2023.

(iv) Ms. Chen Yi Zi was appointed as an executive director of the Company with effect from 1 November 2023.

(v) Mr. Joseph Lee resigned as an executive director of the Company with effect from 31 October 2023.

(vi) Mr. Qi Zhenggang resigned as an executive director of the Company with effect from 18 September 2023.

(vii) Mr. Freeman Hui Shen resigned as a non-executive director of the Company with effect from 1 December 2023.

(viii) Mr. Wilfried Porth resigned as a non-executive director of the Company with effect from 31 October 2023.

During the year, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2023: Nil).

The above directors' and chief executive's remuneration only included remuneration during the tenure of each director and the chief executive of the Company.

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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors and the chief executive (2023: three directors), details of whose remuneration for the period subsequent to their appointment as a director or the chief executive are set out in note 10 above. Details of the remuneration of the chief executive for the whole year and the remaining two (2023: two) highest paid employees who are neither a director nor chief executive of the Company for the year are as follows:

	2024 **HK$'000**	2023 HK$'000
Salaries, allowances and other benefits	**6,149**	6,972
Equity-settled share option expense	**2,460**	–
Pension scheme contributions	**44**	18
Total	**8,653**	6,990

The number of non-director highest paid employees whose remuneration (including the remuneration of the chief executive for the whole year) fell within the following bands is as follows:

	Number of employees	
	2024 **HK$'000**	2023 HK$'000
HK$2,000,001 to HK$2,500,000	**1**	–
HK$3,000,001 to HK$3,500,000	**2**	1
HK$3,500,001 to HK$4,000,000	**–**	1
Total	**3**	2

During the year, share options were granted to the non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 34 to the financial statements. The fair value of such options, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

During the year, no remuneration was paid or payable by the Group to the highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

12. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year. Hong Kong profits tax was provided in the prior year at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2024 **HK$'000**	2023 HK$'000
Current:		
Hong Kong		
Charge for the year	**–**	1,997
Overprovision in prior years	**(865)**	(165)
Elsewhere		
Charge for the year	**389**	653
Deferred	**(9,281)**	(1,414)
Total tax charge/(credit) for the year	**(9,757)**	1,071

A reconciliation of the tax credit applicable to loss before tax at the Hong Kong statutory tax rate, for the jurisdiction in which the Company's and certain of its subsidiaries' principal place of operations is located, to the tax charge/(credit) at the Group's effective tax rate is as follows:

	2024 **HK$'000**	2023 HK$'000
Loss before tax	**(1,558,849)**	(867,905)
Tax credit at the Hong Kong statutory tax rate of 16.5% (2023: 16.5%)	**(257,210)**	(143,204)
Effect of different tax rates for or enacted by other jurisdictions/local authority	**(12,634)**	326
Adjustments in respect of current tax of previous periods	**(865)**	(165)
Profits and losses attributable to a joint venture and an associate	**1,086**	19,297
Income not subject to tax	**(5,032)**	(331)
Expenses not deductible for tax	**238,887**	106,926
Tax losses utilised from previous periods	**(668)**	–
Tax losses not recognised	**20,085**	19,738
Others	**6,594**	(1,516)
Tax charge/(credit) at the Group's effective tax rate	**(9,757)**	1,071

13. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 854,452,428 (2023: 480,654,928) outstanding during the year. The weighted average number of ordinary shares used in the calculation of the basic loss per share amount for the year ended 31 December 2023 has been adjusted to reflect the consolidation of ordinary shares of the Company on the basis of every twenty ordinary shares into one consolidated ordinary share with effect from 14 December 2023.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2024 in respect of a dilution as the impact of the adjustment to the share of profit of an associate and the share options and convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of the diluted loss per share amount for the year ended 31 December 2023 is based on the loss for the year attributable to ordinary equity holders of the Company, adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of loss of an associate. The weighted average number of ordinary shares used in the calculation of the diluted loss per share amount for the year ended 31 December 2023 is the number of ordinary shares outstanding during the year, as used in the basic loss per share calculation. No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2023 in respect of a dilution arising from share options and convertible bonds as the impact of the share options and convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amount presented.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

The calculations of basic and diluted loss per share are based on:

Loss

	2024 **HK$'000**	2023 HK$'000
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	**(1,538,341)**	(860,535)
Effect of dilutive potential ordinary shares of an associate arising from adjustment to the share of loss of an associate	**–**	(18,640)
Loss attributable to ordinary equity holders of the Company, used in the diluted loss per share calculation	**(1,538,341)**	(879,175)

Shares

	Number of shares **2024**	2023
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculations	**854,452,428**	480,654,928

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15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2024							
At 31 December 2023 and at 1 January 2024:							
Cost	16,133	44,513	11,975	9,057	17,838	4,665	104,181
Accumulated depreciation	–	(6,720)	(6,936)	(5,816)	(11,432)	(3,167)	(34,071)
Net carrying amount	16,133	37,793	5,039	3,241	6,406	1,498	70,110
As 1 January 2024, net of accumulated depreciation	16,133	37,793	5,039	3,241	6,406	1,498	70,110
Additions	–	–	–	14	201	3,932	4,147
Disposals	–	(1,330)	–	(7)	(15)	–	(1,352)
Depreciation provided during the year	–	(1,117)	(742)	(1,041)	(1,496)	(466)	(4,862)
Exchange realignment	(1,118)	(2,519)	(457)	(204)	219	–	(4,079)
At 31 December 2024, net of accumulated depreciation	15,015	32,827	3,840	2,003	5,315	4,964	63,964
At 31 December 2024:							
Cost	15,015	39,756	11,030	8,306	17,295	8,432	99,834
Accumulated depreciation	–	(6,929)	(7,190)	(6,303)	(11,980)	(3,468)	(35,870)
Net carrying amount	15,015	32,827	3,840	2,003	5,315	4,964	63,964

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold land HK$'000	Buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2023							
At 1 January 2023:							
Cost	16,921	46,856	13,200	8,758	18,024	4,606	108,365
Accumulated depreciation	–	(5,622)	(6,286)	(4,189)	(10,263)	(2,768)	(29,128)
Net carrying amount	16,921	41,234	6,914	4,569	7,761	1,838	79,237
As 1 January 2023, net of accumulated depreciation	16,921	41,234	6,914	4,569	7,761	1,838	79,237
Additions	–	–	1,132	23	833	54	2,042
Disposal of a subsidiary (note 36)	–	–	–	–	(55)	–	(55)
Write-off	–	–	(1,647)	–	(2)	–	(1,649)
Depreciation provided during the year	–	(1,276)	(1,077)	(1,469)	(1,912)	(382)	(6,116)
Exchange realignment	(788)	(2,165)	(283)	118	(219)	(12)	(3,349)
At 31 December 2023, net of accumulated depreciation	16,133	37,793	5,039	3,241	6,406	1,498	70,110
At 31 December 2023:							
Cost	16,133	44,513	11,975	9,057	17,838	4,665	104,181
Accumulated depreciation	–	(6,720)	(6,936)	(5,816)	(11,432)	(3,167)	(34,071)
Net carrying amount	16,133	37,793	5,039	3,241	6,406	1,498	70,110

At the end of the reporting period, the Group's freehold land with carrying amounts of HK$5,725,000 (2023: HK$5,725,000) and HK$9,290,000 (2023: HK$10,408,000) are situated in Germany and Japan, respectively.

As at 31 December 2024, the Group's freehold land and buildings in Japan and certain leasehold land included in right-of-use assets (note 17) and buildings in Mainland China with net carrying amounts of HK$30,674,000 (2023: HK$35,229,000) and nil (2023: HK$50,892,000), respectively, were pledged to secure certain bank loans granted to the Group (note 30).

16. INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Carrying amount at 1 January	**12,321**	12,387
Gain/(loss) from a fair value adjustment	**(1,008)**	287
Exchange realignment	**(342)**	(353)
Carrying amount at 31 December	**10,971**	12,321

The Group's investment properties consist of three properties in Mainland China. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2024 based on valuations performed by Graval Consulting Limited, independent professionally qualified valuers, at approximately HK$10,971,000. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 17 to the financial statements.

Further particulars of the Group's investment properties are included on page 210.

16. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Recurring fair value measurement for commercial properties	**–**	**–**	**10,971**	**10,971**

	Fair value measurement as at 31 December 2023 using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for commercial properties	–	–	12,321	12,321

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties HK$'000
Carrying amount at 1 January 2023	12,387
Gain from a fair value adjustment recognised in profit or loss	287
Exchange realignment	(353)
Carrying amount at 31 December 2023 and at 1 January 2024	**12,321**
Loss from a fair value adjustment recognised in profit or loss	**(1,008)**
Exchange realignment	**(342)**
Carrying amount at 31 December 2024	**10,971**

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16. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range 2024	2023
Commercial properties	Income approach	Estimated rental value (per square metre and per month)	**RMB115 – RMB167**	RMB131 – RMB178
		Capitalisation rate	**4.2%**	4.0%
		Discount rate	**3.7%**	3.5%

Under the income approach, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

A significant increase/(decrease) in the estimated rental value in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate and the discount rate in isolation would result in a significant (decrease)/increase in the fair value of the investment properties. The valuations take into account the characteristics of the properties which included the location, size and other factors collectively.

17. LEASES

The Group as a lessee

The Group has lease contracts for office premises and directors' quarters. Lump sum payments were made up-front to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of leased properties generally have lease terms between 2 and 3 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land HK$'000	Leased properties HK$'000	Total HK$'000
At 1 January 2023	51,059	5,834	56,893
Additions	–	202	202
Depreciation charge during the year	(575)	(3,599)	(4,174)
Exchange realignment	(1,441)	–	(1,441)
At 31 December 2023 and at 1 January 2024	**49,043**	**2,437**	**51,480**
Remeasurement on lease modification	**–**	**8,315**	**8,315**
Termination of leases	**–**	**(124)**	**(124)**
Disposal	**(34,270)**	**–**	**(34,270)**
Depreciation charge during the year	**(867)**	**(3,210)**	**(4,077)**
Exchange realignment	**(777)**	**–**	**(777)**
At 31 December 2024	**13,129**	**7,418**	**20,547**

Further details of the leasehold land pledged to secure certain bank loans of the Group are disclosed in note 15 to the financial statements.

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17. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**2,820**	6,289
New leases	**–**	202
Remeasurement on lease modification	**8,315**	–
Termination of leases	**(126)**	–
Accretion of interest recognised during the year	**273**	246
Payments during the year	**(3,435)**	(3,917)
At end of year	**7,847**	2,820
Analysed into:		
Due within one year	**3,277**	2,743
Due in the second year	**3,457**	77
Due in the third to fifth years, inclusive	**1,113**	–
Total	**7,847**	2,820

The maturity analysis of lease liabilities is disclosed in note 42 to the financial statements.

17. LEASES *(continued)*

The Group as a lessee *(continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	**273**	642
Depreciation charge of right-of-use assets	**4,077**	4,174
Expense relating to short-term leases (note)	**2,065**	2,561
Total amount recognised in profit or loss	**6,415**	7,377

Note:

Expense relating to short-term leases of Nil (2023: HK$162,000) and HK$2,065,000 (2023: HK$2,399,000) has been included in selling and distribution expenses and general and administrative expenses, respectively.

(d) The total cash outflow for leases is disclosed in note 37(c) to the financial statements.

(e) **Variable lease payments**

During the year, the Group has lease contracts for leased properties that contain variable payments based on the consumer price index determined by Federal Statistical Office of Germany ("CPI"). A 10% (2023: 10%) increase in CPI would increase the total remaining undiscounted lease payments by 10% (2023: 10%).

The Group as a lessor

The Group leases its investment properties under operating lease arrangements. Rental income recognised by the Group during the year was HK$570,000 (2023: HK$163,000), details of which are included in note 6 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	**487**	503
After one year but within two years	**42**	352
Total	**529**	855

18. GOODWILL

	HK$'000
At 1 January 2023:	
Cost	2,398,254
Accumulated impairment	(657,660)
Net carrying amount	1,740,594
Cost at 1 January 2023, net of accumulated impairment	1,740,594
Impairment during the year	(410,210)
Exchange realignment	(76,875)
At 31 December 2023	1,253,509
At 31 December 2023 and at 1 January 2024:	
Cost	2,309,679
Accumulated impairment	(1,056,170)
Net carrying amount	1,253,509
Cost at 1 January 2024, net of accumulated impairment	**1,253,509**
Impairment during the year	**(646,063)**
Exchange realignment	**(65,077)**
At 31 December 2024	**542,369**
At 31 December 2024:	
Cost	**2,183,897**
Accumulated impairment	**(1,641,528)**
Net carrying amount	**542,369**

Impairment testing of goodwill and trademarks with indefinite useful lives

Goodwill and trademarks with indefinite useful lives acquired through business combinations are allocated to individual mobility technology solutions cash-generating units ("Mobility Technology Solutions CGUs"), which are separate business operations, for annual impairment testing:

- Mobility Development unit ("Mobility Development CGU"); and
- Hypercar unit ("Hypercar CGU")

18. GOODWILL *(continued)*

Impairment testing of goodwill and trademarks with indefinite useful lives *(continued)*

The carrying amount of goodwill and trademarks allocated to each of the cash-generating units are as follows:

	Mobility Development CGU		Hypercar CGU		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Carrying amount of goodwill	**187,006**	605,492	**355,363**	648,017	**542,369**	1,253,509
Carrying amount of trademarks	**–**	–	**151,653**	162,603	**151,653**	162,603

Mobility Development CGU

At the end of the reporting period, the Group had goodwill acquired through a business combination allocated to the Mobility Development CGU of the Group (primarily representing the business operations and undertakings of a subsidiary of the Group, GLM).

For the purpose of the annual impairment test, the recoverable amounts of the Mobility Development CGU have been determined based on fair value less costs of disposal calculations using discounted cash flow projections. The discounted cash flow projections are based on financial estimates approved by management covering a five-year period and discount rates which reflect specific risks relating to the Mobility Development CGU. Cash flows beyond the five-year period are extrapolated using estimated long term growth rates of 2% (2023: 2%), with reference to certain external data.

The Group has engaged an independent professionally qualified valuer to assist in the determination of the fair value less costs of disposal of the Mobility Development CGU based on the cash flow projections using discount rates of 24% (2023: 25%) determined by reference to weighted average cost of capital reflecting the specific risks of the Mobility Development CGU (including, inter alia, its stage of development and other relevant factors), with reference to certain external data.

The Group considers the discounted cash flow method as a generally acceptable valuation technique that incorporates more information about the future prospects of the Mobility Development CGU for the determination of their recoverable amounts.

Assumptions were used in the fair value less costs of disposal calculations of the Mobility Development CGU for 31 December 2024 and 31 December 2023. The following describes key assumptions on which management has based its discounted cash flow projections to undertake impairment testing of goodwill.

Estimated revenue/margins — The basis used to determine the value assigned to the estimated revenue/margins reflects the latest strategy and forecast taking into account expected economic, industry and market developments for the relevant markets.

Discount rates — The discount rates used are after tax and reflect specific risks relating to the Mobility Development CGU.

18. GOODWILL *(continued)*

Impairment testing of goodwill and trademarks with indefinite useful lives *(continued)*

Mobility Development CGU *(continued)*

The fair value measurements of the Mobility Development CGU as at 31 December 2024 and 31 December 2023 fall within Level 3 of the fair value measurement hierarchy. During the year ended 31 December 2024 and 2023, there were no transfers into or out of Level 3 for such fair value measurement.

31 December 2024

Taking into account of the increasing competitive business landscape in the mobility industry, including the increase in competition in high performance electric vehicles in the PRC market which affected the potential application of the technologies/know-hows of the Mobility Development CGU, the recoverable amount of the Mobility Development CGU as at 31 December 2024 was HK$247,050,000. An impairment loss of the goodwill allocated to the Mobility Development CGU of HK$353,409,000 was recognised during the year, which was included in "Other losses, net" in the consolidated statement of profit or loss.

In the opinion of the directors of the Company, for the Mobility Development CGU, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. If the budgeted gross margin of the Mobility Development CGU increased or decreased by 5% from the budgeted gross margins ranged from 15.1% to 31.0% for the forecast period, the impairment loss would decrease by HK$26,274,000 or increase by HK$23,112,000, respectively, during the year ended 31 December 2024. If the discount rate of the Mobility Development CGU increased or decreased by 5% from 24%, the impairment loss would increase by HK$8,010,000 or decrease by HK$11,672,000 respectively, during the year ended 31 December 2024.

31 December 2023

Taking into account of the challenging external environment and the changes in market conditions, including the potential cooperation and synergies between the Mobility Development CGU and WM Motor Global Investment Limited which were no longer applicable, the recoverable amount of the Mobility Development CGU as at 31 December 2023 was HK$719,680,000. An impairment loss of the goodwill allocated to the Mobility Development CGU of HK$410,210,000 was recognised during the year, which was included in "Other losses, net" in the consolidated statement of profit or loss.

18. GOODWILL *(continued)*

Impairment testing of goodwill and trademarks with indefinite useful lives *(continued)*

Hypercar CGU

At the end of the reporting period, the Group had goodwill acquired through a business combination allocated to the Hypercar CGU of the Group (primarily representing the business operations and undertakings of a subsidiary of the Group, Sino Partner).

For the purpose of the annual impairment test, the recoverable amounts of the Hypercar CGU have been determined based on fair value less costs of disposal calculations using discounted cash flow projections. The discounted cash flow projections are based on financial estimates approved by management covering a five-year period and discount rates which reflect specific risks relating to the Hypercar CGU. Cash flows beyond the five-year period are extrapolated using estimated long term growth rates of 2% (2023: 2%), with reference to certain external data.

The Group has engaged an independent professionally qualified valuer to assist in the determination of the fair value less costs of disposal of the Hypercar CGU based on the cash flow projections using discount rates of 20% (2023: 20%) determined by reference to weighted average cost of capital reflecting the specific risks of the Hypercar CGU (including, inter alia, its stage of development and other relevant factors), with reference to certain external data.

The Group considers the discounted cash flow method as a generally acceptable valuation technique that incorporates more information about the future prospects of the Hypercar CGU for the determination of their recoverable amounts.

Assumptions were used in the fair value less costs of disposal calculations of the Hypercar CGU for 31 December 2024 and 31 December 2023. The following describes key assumptions on which management has based its discounted cash flow projections to undertake impairment testing of goodwill and trademark with indefinite useful lives.

Estimated revenue/margins — The basis used to determine the value assigned to the estimated revenue/margins reflects the latest strategy and forecast taking into account expected economic, industry and market developments for the relevant markets.

Discount rates — The discount rates used are after tax and reflect specific risks relating to the Hypercar CGU.

Probability of successful of a research and development program — The probability of successful of a research and development program used to measure of the likelihood that the research and development program will achieve its intended outcome, determining whether the future economic benefits will be realised by the Hypercar CGU.

The fair value measurements of the Hypercar CGU as at 31 December 2024 and 31 December 2023 fall within Level 3 of the fair value measurement hierarchy. During the year ended 31 December 2024 and 2023, there were no transfers into or out of Level 3 for such fair value measurement.

18. GOODWILL *(continued)*

Impairment testing of goodwill and trademarks with indefinite useful lives *(continued)*

Hypercar CGU *(continued)*

31 December 2024

Taking into account of (i) the uncertainty in the global economic environment and the increasing global tensions which may in turn affect the Group's supply chain; and (ii) the ongoing deterioration of the global economy, the recoverable amount of the Hypercar CGU as at 31 December 2024 was HK$614,900,000. An impairment loss of the goodwill allocated to the Hypercar CGU of HK$292,654,000 was recognised during the year, which was included in "Other losses, net" in the consolidated statement of profit or loss.

In the opinion of the directors of the Company, for the Hypercar CGU, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. If the budgeted gross margin of the Hypercar CGU increased or decreased by 5% from the budgeted gross margins ranged from 48.0% to 61.9% for the forecast period, the impairment loss would decrease by HK$54,992,000 or increase by HK$55,251,000, respectively, during the year ended 31 December 2024. If the discount rate of the Hypercar CGU increased or decreased by 5% from 20%, the impairment loss would increase by HK$25,130,000 or decrease by HK$26,506,000 respectively, during the year ended 31 December 2024. If the probability of successful of a research and development program of the Hypercar CGU increased or decreased by 5% from 30%, the impairment loss would be decrease or increase by HK$9,720,000 during the year ended 31 December 2024.

31 December 2023

Management believes that a reasonably possible change in any of the above key assumptions would not cause the carrying amount of the Hypercar CGU at 31 December 2023 to materially exceed the recoverable amount.

19. OTHER INTANGIBLE ASSETS

	Deferred development costs HK$'000 (note (i))	Trademarks HK$'000 (note (ii))	Total HK$'000
31 December 2024			
At 31 December 2023 and at 1 January 2024:			
Cost	166,119	162,603	328,722
Accumulated amortisation	(67,893)	–	(67,893)
Net carrying amount	98,226	162,603	260,829
Cost at 1 January 2024, net of accumulated amortisation	98,226	162,603	260,829
Amortisation provided during the year	(46,276)	–	(46,276)
Exchange realignment	(8,547)	(10,950)	(19,497)
At 31 December 2024	43,403	151,653	195,056
At 31 December 2024:			
Cost	156,580	151,653	308,233
Accumulated amortisation	(113,177)	–	(113,177)
Net carrying amount	43,403	151,653	195,056

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19. OTHER INTANGIBLE ASSETS *(continued)*

	Deferred development costs HK$'000 (note (i))	Trademarks HK$'000 (note (ii))	Total HK$'000
31 December 2023			
At 1 January 2023:			
Cost	142,765	157,632	300,397
Accumulated amortisation	(48,438)	–	(48,438)
Net carrying amount	94,327	157,632	251,959
Cost at 1 January 2023, net of accumulated amortisation	94,327	157,632	251,959
Additions	19,508	–	19,508
Amortisation provided during the year	(17,633)	–	(17,633)
Exchange realignment	2,024	4,971	6,995
At 31 December 2023	98,226	162,603	260,829
At 31 December 2023:			
Cost	166,119	162,603	328,722
Accumulated amortisation	(67,893)	–	(67,893)
Net carrying amount	98,226	162,603	260,829

Notes:

(i) Certain deferred development costs were acquired as part of the business combination in prior years relating to the development of hypercars and are stated at cost less any impairment losses and are amortised on the straight-line basis over the commercial lives of the underlying products.

(ii) The trademarks are allocated to the Hypercar CGU in the Mobility Technology Solutions CGUs. Trademarks are regarded as having indefinite useful lives because the trademarked products are expected to generate net cash inflows indefinitely. Details of impairment testing are set out in note 18 to the financial statements.

20. INTEREST IN A JOINT VENTURE

	2024 HK$'000	2023 HK$'000
Share of net assets	–	–

Particulars of the Group's joint venture are as follows:

Name	Place of registration and business	Registered capital	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activity
WESail New Energy Automotive Co. Ltd# (上海聯和力世紀新能源汽車有限公司)	PRC/ Mainland China	US$80,000,000	60	50	60	Research and development of new energy vehicles related technology

The above investment is indirectly held by the Company.

English name for identification purposes only.

The following table illustrates the financial information of the Group's joint venture that is not individually material:

	2024 HK$'000	2023 HK$'000
Share of the joint venture's loss and total comprehensive loss	(56,954)	(96,784)
Carrying amount of the Group's interest in the joint venture	–	–

The Group has an obligation to continue to share 60% loss of the joint venture after the interest in the joint venture is reduced to zero. The Group therefore recognised a payable of HK$104,829,000 (2023: HK$50,687,000) included in "Other payables and accruals" as at 31 December 2024.

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21. INTEREST IN AN ASSOCIATE

	2024 HK$'000	2023 HK$'000
Share of net liabilities	(64,238)	(66,172)
Goodwill on acquisition	64,238	66,172
Total	–	–

As at the end of the reporting period, the Group held 10.48% (2023: 10.48%) of the issued ordinary shares of EV Power Holding Limited ("EV Power") (the "EV Power Ordinary Share Investment"). Based on the proportion of voting rights held by the Group as further detailed below, the Group considers it is in a position to exercise significant influence over EV Power and, accordingly, has accounted for the EV Power Ordinary Share Investment as an investment in an associate.

Particulars of the associate are as follows:

Name	Place of incorporation and business	Particulars of issued shares held	Percentage of Ownership interest 2024 Indirect	Percentage of Ownership interest 2023 Indirect	Percentage of Voting power 2024	Percentage of Voting power 2023	Principal activities
EV Power	BVI/ Hong Kong	Ordinary shares	10.48*	10.48*	28.44	28.44	Provision of electric vehicle charging solutions

* This reflects only the ownership interest based on the EV Power Ordinary Share Investment.

** The Group also held certain preferred shares of EV Power, which have been accounted for as financial assets at fair value through profit or loss (note 22). The percentage of voting power as shown above has reflected the total voting rights currently held by the Group attributable to its investments in ordinary shares and preferred shares of EV Power.

The following table illustrates the aggregate financial information of the Group's associate that is not individually material:

	2024 HK$'000	2023 HK$'000
Share of the associate's profit/(loss)	50,374	(20,164)
Share of the associate's other comprehensive loss	(2,158)	(1,591)
Share of the associate's total comprehensive income/(loss)	48,216	(21,755)
Carrying amount of the Group's interest in the associate	–	–

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK$'000	2023 HK$'000
Unlisted investments	**1,059,484**	1,492,588
Share of loss of an associate	**(20,643)**	(68,859)
Subtotal	**1,038,841**	1,423,729
Listed equity investment	**31,315**	42,406
Total	**1,070,156**	1,466,135
Portion classified as non-current assets	**(411,521)**	(1,466,135)
Portion classified as current assets	**658,635**	–

The above unlisted investments mainly comprised of (i) preferred shares of Divergent Technologies Inc. of HK$658,635,000 (2023: HK$899,013,000); and (ii) preferred shares of EV Power of HK$400,849,000 (2023: HK$593,575,000).

The above unlisted investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The above listed equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

23. LOANS RECEIVABLE

	2024 HK$'000	2023 HK$'000
Loans receivable	**237,114**	217,565
Impairment	**(77,957)**	(8,022)
Net carrying amount	**159,157**	209,543
Portion classified as non-current assets	**(66,723)**	(83,983)
Portion classified as current assets	**92,434**	125,560

The Group seeks to maintain strict control over its outstanding loans receivable so as to minimise credit risk. The granting of loans is subject to approval by management, whilst overdue balances are reviewed regularly for recoverability.

Loans receivable of the Group bear interest at rates ranging from 3.1% to 8% (2023: 4.9% to 7.22%) per annum. As at 31 December 2024, certain loans receivable with aggregate carrying amounts of HK$60,316,000 (2023: HK$73,598,000) and HK$50,046,000 (2023: HK$92,653,000) were secured by the pledge of properties, and guarantees provided by certain independent third parties, respectively.

23. LOANS RECEIVABLE *(continued)*

The table below shows the credit quality and maximum exposure to credit risk as at 31 December 2024 and 2023 based on the Group's internal credit rating system and year–end staging classification. The amounts presented are gross carrying amounts.

As at 31 December 2024

	12-month ECLs Stage 1 HK$'000	Lifetime ECLs not credit-impaired Stage 2 HK$'000	Lifetime ECLs credit-impaired Stage 3 HK$'000	Total HK$'000
Loans receivable				
— Performing	136,527	22,587	–	159,114
— Individually impaired (note (i))	–	–	78,000	78,000
Total	136,527	22,587	78,000	237,114

As at 31 December 2023

	12-month ECLs Stage 1 HK$'000	Lifetime ECLs not credit-impaired Stage 2 HK$'000	Lifetime ECLs credit-impaired Stage 3 HK$'000	Total HK$'000
Loans receivable				
— Performing	217,565	–	–	217,565

Note:

(i) Impaired loans receivable include those with objective evidence of impairment.

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31 December 2024

23. LOANS RECEIVABLE *(continued)*

An analysis of the gross carrying amount and the corresponding loss allowance is as follows:

	12-month ECLs Stage 1 HK$'000	Lifetime ECLs not credit-impaired Stage 2 HK$'000	Lifetime ECLs credit-impaired Stage 3 HK$'000	Total HK$'000
Gross carrying amount at 1 January 2023	207,054	–	5,641	212,695
New loans drawdown and accretion of interest	24,310	–	–	24,310
Repayment during the year	(1,239)	–	(5,516)	(6,755)
Loss on assignment	(12,170)	–	–	(12,170)
Exchange realignment	(390)	–	(125)	(515)
Gross carrying amount at 31 December 2023 and at 1 January 2024	**217,565**	**–**	**–**	**217,565**
New loans drawdown and accretion of interest	**54,453**	**–**	**–**	**54,453**
Repayment during the year	**(33,216)**	**–**	**–**	**(33,216)**
Transfer from Stage 1 to Stage 2	**(22,587)**	**22,587**	**–**	**–**
Transfer from Stage 1 to Stage 3	**(78,000)**	**–**	**78,000**	**–**
Exchange realignment	**(1,688)**	**–**	**–**	**(1,688)**
Gross carrying amount at 31 December 2024	**136,527**	**22,587**	**78,000**	**237,114**
ECL allowance at 1 January 2023	(5,017)	–	(5,641)	(10,658)
Reversal of impairment losses/(impairment losses), net	(3,007)	–	5,516	2,509
Exchange realignment	2	–	125	127
ECL allowance at 31 December 2023 and at 1 January 2024	**(8,022)**	**–**	**–**	**(8,022)**
Impairment losses, net	**(22,746)**	**(2,226)**	**(45,155)**	**(70,127)**
Transfer from Stage 1 to Stage 2	**111**	**(111)**	**–**	**–**
Transfer from Stage 1 to Stage 3	**3,049**	**–**	**(3,049)**	**–**
Exchange realignment	**192**	**–**	**–**	**192**
ECL allowance at 31 December 2024	**(27,416)**	**(2,337)**	**(48,204)**	**(77,957)**

23. LOANS RECEIVABLE *(continued)*

Following the assessment of the changes in credit risk of loans receivable, including their past due information and the actual and expected changes in the financial conditions of the borrowers and guarantors, the gross carrying amount and the corresponding loss allowance of certain loans receivable were either transferred from Stage 1 to Stage 2 or Stage 1 to Stage 3 during the year as the loans receivable had a significant increase in credit risk or became credit-impaired, respectively.

An impairment analysis was performed on the gross loan receivables of HK$237,114,000 (2023: HK$217,565,000) as at 31 December 2024 by considering the probability of default of counterparties. The Group also takes into account the forward-looking information to reflect the financial standing of the borrowers and the guarantors and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the probability of default applied ranged from 1.2% to 100% (2023: 1.2% to 100%) and the loss given default was estimated to be from 61.8% to 63.8% (2023: 0% to 95%).

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	**2024** **HK$'000**	2023 HK$'000
Deposit for research and development costs	(a)	**93,600**	–
Deposit paid for potential acquisition of a company	(b)	**130,000**	130,000
Other deposits		**3,611**	3,644
Prepayments and other receivables		**31,975**	82,663
Promissory note receivable	(c)	**335,597**	308,000
Consideration receivables	(d)	**72,029**	107,368
Due from an associate	(e)	**1,455**	1,455
		668,267	633,130
Impairment		**(382,561)**	(181,297)
Total		**285,706**	451,833
Portion classified as non-current assets		**(2,442)**	(155)
Portion classified as current assets		**283,264**	451,678

(a) During the year ended 31 December 2024, the Group entered into an agreement (the "Agreement") with a company incorporated in the British Virgin Islands ("Entity A"). Under the Agreement, Entity A was engaged to design, develop and manufacture of a crucial component of the Group's hypercars. In accordance with the Agreement, a deposit of HK$93,600,000 was paid during the year. A further payment of HK$108,400,000 was made to the Entity A subsequent to the end of the reporting period, in accordance with the terms set out in the Agreement.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

(b) The deposit paid for the potential acquisition of the entire equity interest of a company from independent third parties comprises a refundable portion of HK$95,000,000 (2023: HK$130,000,000) and a non-refundable portion of HK$35,000,000 (2023: Nil). As at the end of the reporting period, the Group and the independent third parties have not yet entered into any definitive legally binding sale and purchase agreement for the potential acquisition.

(c) A promissory note was issued by Innosophi (as defined in note 36(b) to the financial statements) as part of the consideration for the disposal of Chance Achieve Limited ("Chance Achieve"). Further details are set out in note 36(b) to the financial statements. The promissory note receivable is unsecured, guaranteed by a company wholly-owned by Mr. Freeman Hui Shen who is a former non-executive director of the Company, bears interest at 6.2% per annum and was repayable on 31 July 2024. Innosophi exercised its option to extend the maturity date of the promissory note for one year to 31 July 2025. An impairment analysis is performed at each reporting date by considering the probability of default of Innosophi. The Group also takes into account the current financial conditions of Innosophi and the guarantor, the ongoing uncertainties in the financial market sentiment and the challenging global economic environment. As at 31 December 2024, the probability of default applied was 100% (2023: 100%) and the loss given default was estimated to be 100% (2023: 61.5%). The loss allowance as at 31 December 2024 was HK$335,597,000 (2023: HK$170,258,000).

(d) The amount represented the receivables for disposal of subsidiaries in prior years. An impairment analysis is performed at each reporting date by considering the probability of default of counterparties. The Group also takes into account the current condition of market that the counterparties are operating and the forecasts of global future economic conditions to reflect the probability of default. As at 31 December 2024, the probability of default applied was 100% (2023: 32.6%), and the loss given default was estimated to be 61.8% to 100% (2023: 0.1% to 61.5%). The loss allowance as at 31 December 2024 was HK$46,964,000 (2023: HK$11,039,000)

(e) The amount due from an associate is unsecured, interest-free and repayable on demand.

The movements in the loss allowance for impairment of other receivables are as follows:

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**181,297**	2,159
Impairment losses, net (note 7)	**201,264**	179,138
At end of year	**382,561**	181,297

Other deposits mainly represented rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. As at 31 December 2024 and 2023, the expected credit losses for deposit for research and developments costs, deposit paid for potential acquisition of a company, other deposits, other receivables and the amount due from an associate were assessed to be minimal.

25. INVENTORIES

	2024 HK$'000	2023 HK$'000
Vehicles and related components (note)	**38,441**	64,986
Jewellery products, watches and other commodities	**3,599**	10,885
Total	**42,040**	75,871

Note: Included in the balance are work-in-progress of HK$470,000 (2023: HK$25,114,000) and finished goods of HK$27,912,000 (2023: HK$35,473,000).

26. ACCOUNTS RECEIVABLE

	2024 HK$'000	2023 HK$'000
Accounts receivable	**10,117**	3,020
Impairment	**(1,521)**	(1,176)
Net carrying amount	**8,596**	1,844

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance may be required. The credit period is generally one month, extending up to three months or more for certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 HK$'000	2023 HK$'000
Within 30 days	**322**	218
31 to 60 days	**–**	1
61 to 90 days	**2,025**	1
Over 90 days	**6,249**	1,624
Total	**8,596**	1,844

26. ACCOUNTS RECEIVABLE *(continued)*

The movements in the loss allowance for impairment of accounts receivable are as follows:

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**1,176**	822
Impairment losses, net (note 7)	**2,894**	362
Amount written off as uncollectible	**(2,471)**	–
Exchange realignment	**(78)**	(8)
At end of year	**1,521**	1,176

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 31 December 2024

		Past due	
	Current	**Over 3 months**	**Total**
Expected credit loss rate	**20.07%**	**12.59%**	**15.03%**
Gross carrying amount (HK$'000)	**3,309**	**6,808**	**10,117**
Expected credit losses (HK$'000)	**664**	**857**	**1,521**

As at 31 December 2023

		Past due				
	Current	Less than 1 month	1 to 3 months	Over 3 months	Credit-impairment receivables	Total
Expected credit loss rate	0.45%	–*	–*	34.32%	100%	38.94%
Gross carrying amount (HK$'000)	220	1	1	2,471	327	3,020
Expected credit losses (HK$'000)	1	–	–	848	327	1,176

* The expected credit loss rates were less than 0.01%.

27. CASH AND CASH EQUIVALENTS

	2024 **HK$'000**	2023 HK$'000
Cash and bank balances	**136,365**	61,002
Time deposits	**328,479**	3,287
Cash and cash equivalents	**464,844**	64,289

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK$102,221,000 (2023: HK$52,311,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Certain cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

28. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	2024 **HK$'000**	2023 HK$'000
Within 30 days	**122**	721
Over 90 days	**83,122**	100,658
Total	**83,244**	101,379

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29. OTHER PAYABLES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Other payables and accruals (note (a))	**280,028**	177,637
Contract liabilities (note (b))	**171,644**	86,081
Total	**451,672**	263,718

Notes:

(a) Other payables are non-interest-bearing and generally have an average term of 30 days.

(b) Details of contract liabilities are as follows:

	31 December 2024 HK$'000	31 December 2023 HK$'000	31 December 2022 HK$'000
Consideration received from customers in advance:			
Sales of jewellery products, watches and other commodities	**54,644**	53,162	57,161
Sales and distribution of vehicles and provision of design, development and prototyping of vehicle components	**117,000**	32,919	20,186
Total	**171,644**	86,081	77,347

Contract liabilities relate to consideration received from customers in advance. The increase in contract liabilities in 2024 and 2023 was mainly due to the increase in consideration received from customers.

30. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Contractual interest rate (%)	**Maturity**	**HK$'000**	Contractual interest rate (%)	Maturity	HK$'000
Current						
Bank loans — unsecured	**0.4% to 5.65%**	**2025**	**1,927**	0.4% to 5.65%	2024	18,602
Bank loans — secured	**PRIME[1]-2.1%**	**2025**	**877**	PRIME[1]-2.1%	2024	984
Total — current			**2,804**			19,586
Non-current						
Bank loans — unsecured	**0.4% to 5.65%**	**2026**	**3,656**	0.4% to 5.65%	2026	6,089
Bank loans — secured	**PRIME[1]-2.1%**	**2036**	**9,915**	PRIME[1]-2.1%	2036	12,090
Total — non-current			**13,571**			18,179
Total			**16,375**			37,765

Analysed into:	**2024 HK$'000**	2023 HK$'000
Bank borrowings repayable:		
Within one year	**2,804**	19,586
In the second year	**4,539**	7,073
In the third to fifth years, inclusive	**2,663**	2,975
Beyond five years	**6,369**	8,131
	16,375	37,765

[1] Japan prime lending rate ("PRIME")

Notes:

(a) Certain of the Group's bank loans are secured by (i) the pledge of certain land and buildings and right-of-use assets with an aggregate carrying amount of HK$30,674,000 (2023: HK$86,121,000) (note 15).

(b) The Group's bank borrowings as at 31 December 2024 of Nil (2023: HK$16,443,000) and HK$16,375,000 (2023: HK$21,322,000) are denominated in RMB and JPY, respectively.

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31. CONVERTIBLE BONDS

On 5 October 2021, Able Catch Limited, Vivaldi International Limited and 45 Yi Capital Holdings Co., Ltd subscribed for the convertible bonds of the Company in the principal amount of HK$85,800,000 (the "13 September Convertible Bonds"). The 13 September Convertible Bonds carried interest at a rate of 9% per annum, which was payable half-yearly in arrears, had a maturity date on 5 October 2024 and were convertible at the option of the bondholders, in whole or in part, into ordinary shares of the Company at the initial conversion price of HK$0.55 per share (adjusted to HK$11.00 per share upon the consolidation of ordinary shares of the Company on the basis of every twenty ordinary shares into one consolidated ordinary share with effect from 14 December 2023) at any time on or after 7 days from the issue date until 7 days prior to the maturity date. During the year ended 31 December 2023, notices of redemption had been served on the Company requiring the Company to redeem the outstanding principal amount of the 13 September Convertible Bonds and the Group had repaid part of the outstanding principal amount of HK$46,800,000 under the 13 September Convertible Bonds. During the year ended 31 December 2024, the Group has repaid the remaining outstanding principal amount of HK$39,000,000 under the 13 September Convertible Bonds.

On 18 October 2021, Walong Holdings Limited subscribed for the convertible bonds of the Company in the principal amount of HK$78,000,000 (the "Walong Convertible Bonds"). The Walong Convertible Bonds carried interest at a rate of 9% per annum, which was payable half-yearly in arrears, had a maturity date on 18 October 2024 and were convertible at the option of the bondholders, in whole or in part, into ordinary shares of the Company at the initial conversion price of HK$0.55 per share (adjusted to HK$11.00 per share upon the consolidation of ordinary shares of the Company on the basis of every twenty ordinary shares into one consolidated ordinary share with effect from 14 December 2023) at any time on or after 7 days from the issue date until 7 days prior to the maturity date. A notice of redemption had been served on the Company requiring the Company to redeem the outstanding principal amount of the Walong Convertible Bonds. During the year ended 31 December 2024, the Group has repaid part of the outstanding principal amount of HK$39,000,000 under the Walong Convertible Bonds and the remaining outstanding principal amount of HK$39,000,000 was offset with the consideration for the subscription of 84,782,609 ordinary shares of the Company by Walong Holdings Limited.

On 18 December 2024, Ning Shing (Holdings) Company Limited subscribed for the convertible bonds of the Company in the principal amount of HK$300,000,000 (the "6 December Convertible Bonds"). The 6 December Convertible Bonds carried interest at a rate of 5% per annum, which was payable half-yearly in arrears, had a maturity date on 17 December 2026 and were convertible at the option of the bondholders, in whole or in part, into ordinary shares of the Company at the initial conversion price of HK$1.54 per share at any time after the first anniversary from the issue date until 30 days prior to the maturity date.

Any convertible bonds not converted will be redeemed at maturity at 100% of the outstanding principal amount.

During the year ended 31 December 2024 and 2023, the change in fair value of the convertible bonds that were attributable to changes in the credit risk of the convertible bonds were minimal.

31. CONVERTIBLE BONDS *(continued)*

The following is an analysis of the difference between the carrying amount and the amount the Company would be contractually required to pay at maturity to the holders of the convertible bonds designated as financial liabilities at fair value through profit or loss:

	2024	2023
	HK$'000	HK$'000
Contractual payments at maturity	**300,000**	117,000
Carrying amounts	**298,304**	121,182
	(1,696)	4,182

32. DEFERRED TAX

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

	Property, plant and equipment	**Other intangible assets**	**Impairment of financial assets**	**Others**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Gross deferred tax liabilities/(assets) at 1 January 2023	1,619	33,530	–	(307)	34,842
Deferred tax charged/(credited) to the statement of profit or loss during the year	(59)	(2,548)	(1,311)	1,780	(2,138)
Exchange realignment	(114)	820	–	(14)	692
Gross deferred tax liabilities/(assets) at 31 December 2023 and 1 January 2024	**1,446**	**31,802**	**(1,311)**	**1,459**	**33,396**
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 12)	**(55)**	**(7,305)**	**(1,921)**	**–**	**(9,281)**
Exchange realignment	**(153)**	**(158)**	**–**	**1**	**(310)**
Gross deferred tax liabilities/(assets) at 31 December 2024	**1,238**	**24,339**	**(3,232)**	**1,460**	**23,805**

32. DEFERRED TAX *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 **HK$'000**	2023 HK$'000
Net deferred tax assets recognised in the consolidated statement of financial position	**3,728**	1,807
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(27,533)**	(35,203)
Net deferred tax liabilities	**(23,805)**	(33,396)

At 31 December 2024, the Group had tax losses arising in Hong Kong of HK$240,173,000 (2023: HK$151,065,000), Japan of HK$325,168,000 (2023: HK$382,677,000), Germany of Nil (2023: HK$5,138,000) and Mainland China of HK$190,880,000 (2023: HK$170,246,000) that may be carried forward indefinitely for Hong Kong and Germany, nine years for Japan and five years for Mainland China, respectively, for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and/or it is currently not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK$1,996,000 (2023: HK$3,468,000) at 31 December 2024.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

33. ISSUED CAPITAL

	2024 **HK$'000**	2023 HK$'000
Authorised:		
200,000,000,000 ordinary shares of HK$0.01 each	**2,000,000**	2,000,000
Issued and fully paid:		
1,022,438,090 (31 December 2023: 480,654,928) ordinary shares of HK$0.01 each	**10,224**	4,807

33. ISSUED CAPITAL *(continued)*

A summary of movements in the Company's authorised and issued share capital is as follows:

	Number of ordinary shares '000	Nominal value of ordinary shares '000
Authorised:		
At 1 January 2023	20,000,000	2,000,000
Consolidation of shares (note (a))	(19,000,000)	–
Sub-division of shares (note (c))	199,000,000	–
At 31 December 2023, at 1 January 2024 and at 31 December 2024	200,000,000	2,000,000

	Number of ordinary shares '000	Issued capital HK$'000
Issued and fully paid:		
At 1 January 2023	9,613,099	961,310
Consolidation of shares (note (a))	(9,132,444)	–
Capital reduction (note (b))	–	(956,503)
At 31 December 2023 and at 1 January 2024	480,655	4,807
Issue of new shares (notes (d) and (e))	541,783	5,417
At 31 December 2024	**1,022,438**	**10,224**

Notes:

(a) Pursuant to a special resolution passed in the extraordinary general meeting of the Company on 20 November 2023, every twenty ordinary shares of the Company of HK$0.1 each were consolidated into one consolidated share of the Company of HK$2.0 each with effect from 14 December 2023 (the "Share Consolidation").

(b) On 14 December 2023, the issued share capital of the Company was reduced by (i) eliminating any fraction of a consolidated share in the issued capital of Company arising from the Share Consolidation; and (ii) cancelling the paid-up share capital of the Company to the extent of HK$1.99 per issued consolidated share such that the nominal value of each issued consolidated share was reduced from HK$2.00 to HK$0.01 (the "Capital Reduction"). The credit arising from the Capital Reduction of approximately HK$956,503,000 was transferred to the contributed surplus of the Company within the meaning of the Bermuda Companies Act.

(c) On 14 December 2023, each of the authorised but unissued consolidated share of HK$2.00 each was sub-divided into two hundred new shares of HK$0.01 each.

(d) On 24 January 2024, 96,130,985 ordinary shares of the Company of HK$0.01 each were allotted and issued at a subscription price of HK$0.51 per share to a subscriber for a total cash consideration, before expenses, of approximately HK$49,027,000.

(e) On 13 May 2024, 445,652,177 ordinary shares of the Company of HK$0.01 each were allotted and issued at a subscription price of HK$0.46 per share to certain subscribers for a total consideration, before expenses, of approximately HK$205,000,000.

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34. SHARE OPTION SCHEMES

2013 Share Option Scheme

A share option scheme (the "2013 Share Option Scheme") was adopted by the Company for the purpose of providing incentives and rewards to eligible participants (including, inter alia, employees, directors, advisors and consultants) who contribute to the success of the Group's operations. The 2013 Share Option Scheme became effective on 1 March 2013 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

2023 Share Option Scheme

The Company has adopted a share option scheme on 30 June 2023 (the "2023 Share Option Scheme" for the purpose of giving the eligible participants an opportunity to have a personal stake in the Company and motivating them to optimise their future contributions to the Group and/or to reward them for their past contributions. Eligible participants under the 2023 Share Option Scheme include (i) employee participants, being any director or employee of the Company or any of its subsidiaries, including persons who are granted Share Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries; and (ii) related entity participants, being a director or employee of a holding company, a subsidiary of the holding company or an associated company of the Company.

Certain details of the Share Option Schemes are as follows:

(a) The maximum number of shares issuable upon exercise of the share options which may be granted under the Share Option Schemes and any other share option scheme of the Group to each eligible participant within any 12-month period shall not exceed 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting;

(b) The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options or other expiry date(s) stipulated in the Share Option Schemes, whichever is the earlier;

(c) The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 by the grantee; and

(d) The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

34. SHARE OPTION SCHEMES *(continued)*

The following share options were outstanding under the Share Option Scheme during the year:

	31 December 2024 Weighted average exercise price HK$ per share	**31 December 2024** Number of options	31 December 2023 Weighted average exercise price HK$ per share	31 December 2023 Number of options
At beginning of year	**15.4**	**23,999,400**	15.2	24,349,400
Granted during the year	**0.6**	**106,000,000**	–	–
Forfeited during the year	**10.0**	**(17,975,000)**	8.9	(350,000)
At end of year	**2.3**	**112,024,400**	15.4	23,999,400

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

31 December 2024

Number of options	**Exercise price* HK$ per share**	**Exercise period**
480	**13.00**	**19 July 2017 to 18 July 2026**
480	**13.00**	**19 July 2018 to 18 July 2026**
24,480	**13.00**	**19 July 2019 to 18 July 2026**
24,480	**13.00**	**19 July 2020 to 18 July 2026**
24,480	**13.00**	**19 July 2021 to 18 July 2026**
2,500,000	**35.64**	**13 March 2018 to 12 March 2028**
50,000	**9.50**	**30 May 2019 to 29 May 2029**
6,200,000	**15.60**	**4 January 2021 to 3 January 2031**
450,000	**8.90**	**4 January 2022 to 3 January 2032**
44,750,000	**0.55**	**27 February 2024 to 26 February 2034**
58,000,000	**0.68**	**6 June 2024 to 5 June 2034**
112,024,400		

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34. SHARE OPTION SCHEMES *(continued)*

31 December 2023

Number of options	Exercise price* HK$ per share	Exercise period
480	13.00	19 July 2017 to 18 July 2026
480	13.00	19 July 2018 to 18 July 2026
24,480	13.00	19 July 2019 to 18 July 2026
24,480	13.00	19 July 2020 to 18 July 2026
24,480	13.00	19 July 2021 to 18 July 2026
1,000,000	17.00	6 April 2017 to 5 April 2027
2,500,000	35.64	13 March 2018 to 12 March 2028
2,100,000	9.50	30 May 2019 to 29 May 2029
11,775,000	15.60	4 January 2021 to 3 January 2031
4,550,000	8.90	4 January 2022 to 3 January 2032
2,000,000	8.80	13 January 2022 to 12 January 2032
23,999,400		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value and exercise price at the grant date and the number of Share Options were adjusted for the Share Consolidation (note 33(a)).

During the year, the fair value of the share options granted was HK$34,340,000 (HK$0.32 each) (2023: Nil). The Group recognised a share option expense of HK$16,781,000 (2023: Nil) during the year ended 31 December 2024.

The fair value of equity-settled share options granted during the prior period was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2024
Expected volatility (%)	73.36%–74.20%
Risk-free interest rate (%)	3.59%–3.78%
Expected life of options (years)	10 years
Weighted average share price (HK$ per share)	HK$0.6

The expected life of the options is based on the historical exercise patterns and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

34. SHARE OPTION SCHEMES *(continued)*

No other feature of the options granted was incorporated into the measurement of fair value.

No share options were exercised during the year ended 31 December 2024 and the year ended 31 December 2023.

At the end of the reporting period, the Company had 112,024,400 (2023: 23,999,940) share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 112,024,400 (2023: 23,999,400) additional ordinary shares of the Company and additional share capital of HK$1,120,000 (2023: HK$240,000) and share premium of HK$254,379,000 (2023: HK$368,562,000).

At the date of approval of these financial statements, the Company had 112,024,400 share options outstanding under the Share Option Scheme, which represented approximately 11% of the Company's shares in issue as at that date.

35. RESERVES

The amounts of the Group's reserves and the movements therein for the current year and the prior period are presented in the consolidated statement of changes in equity on pages 100 to 101 of the financial statements.

(a) Share premium account

The share premium account of the Group includes: (i) the difference between the combined net asset value of the subsidiaries acquired pursuant to a group reorganisation on 12 August 2002 over the nominal value of the share capital of the Company issued in exchange therefor; (ii) the premium arising from new share issues; (iii) the premium arising from a capitalisation issue; and (iv) the premium arising from issue of shares upon the exercise of share options.

(b) Reserve funds

The reserve funds represent PRC statutory reserve funds. Appropriations to such reserve funds are made out of profit after tax of the statutory financial statements of the relevant subsidiaries of the Group established in the PRC which are restricted as to use and the amount should not be less than 10% of the profit after tax unless the aggregate amount exceeded 50% of the registered capital of the relevant subsidiaries. The reserve funds can be used to make up prior years' losses of the relevant subsidiaries.

(c) Contributed surplus

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is subject to compliance with the bye-laws of the Company and the laws of Bermuda, is distributable to the Shareholders under certain circumstances.

36. DISPOSAL OF SUBSIDIARIES

Year ended 31 December 2023

(a) Disposal of Ideenion and its subsidiaries (collectively, the "Ideenion Group")

On 23 December 2022, the Company (as seller) entered into an agreement with Mobility Technology Group Inc. ("MTG"), pursuant to which the Company had conditionally agreed to sell and MTG had conditionally agreed to acquire 100% equity interest in Ideenion for a total consideration EUR15,000,000 (equivalent to approximately HK$124,350,000 as at 23 December 2022) (the "Ideenion Disposal"). Ideenion and its subsidiaries were principally engaged in the design, development and prototyping of internal combustion engine vehicles and new energy vehicles. Accordingly, the assets and liabilities of the Ideenion Group as at 31 December 2022 were classified as a disposal group held for sale. The completion of the Ideenion Disposal took place on 22 February 2023 and gain on disposal of subsidiaries of HK$6,590,000 was recognised during the year ended 31 December 2023.

	HK$'000
Net Assets disposed of:	
Property, plant and equipment	3,562
Right-of-use assets	40,468
Goodwill	89,744
Other intangibles	1,396
Deferred tax assets	1,761
Inventories	6,082
Accounts receivable	2,121
Prepayments, deposits and other receivables	7,128
Contract assets	2,830
Tax recoverable	458
Cash and cash equivalents	19,688
Accounts payable	(480)
Other payables and accruals	(9,306)
Lease liabilities	(40,689)
Tax payable	(5,485)
Deferred tax liabilities	(392)
Non-controlling interests	251
	119,137
Exchange fluctuation reserve released	(792)
Gain on disposal of subsidiaries	6,590
Total consideration	124,935
Satisfied by:	
Cash	124,935

36. DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2023 *(continued)*

(a) Disposal of Ideenion and its subsidiaries (collectively, the "Ideenion Group") *(continued)*

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Ideenion Group is as follows:

	HK$'000
Cash consideration	124,935
Cash and cash equivalents disposed of	(19,688)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	105,247

(b) Disposal of Chance Achieve

On 30 December 2022, Ming Fung Investment Holdings Limited ("Ming Fung"), an indirect wholly-owned subsidiary of the Company, (as seller) entered into an agreement with Innosophi Company Limited ("Innosophi"), pursuant to which Ming Fung had conditionally agreed to sell and Innosophi had conditionally agreed to acquire the entire share capital of Chance Achieve for a total consideration of HK$408,000,000 (the "Chance Achieve Disposal"). Chance Achieve was principally engaged in money lending in Hong Kong. Innosophi is an investment holding company wholly-owned by Mr. Freeman Hui Shen, a former non-executive director of the Company and a substantial shareholder of the Company. Accordingly, the assets and liabilities of Chance Achieve as at 31 December 2022 were classified as a disposal group held for sale. The completion of the Chance Achieve Disposal took place on 31 July 2023 and gain on disposal of a subsidiary of HK$18,163,000 was recognised during the year ended 31 December 2023.

	HK$'000
Net assets disposal of:	
Property, plant and equipment	246
Right-of-use assets	6,729
Deferred tax assets	8,962
Prepayments, deposits and other receivables	1,676
Loans receivable	374,166
Cash and cash equivalents	11,480
Other payables and accruals	(195)
Tax payable	(4,173)
Lease liabilities	(9,054)
	389,837
Gain on disposal of a subsidiary	18,163
Total consideration	408,000
Satisfied by :	
Cash	100,000
Promissory note receivable (note 24)	308,000
	408,000

36. DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2023 *(continued)*

(b) Disposal of Chance Achieve *(continued)*

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Chance Achieve is as follows:

	HK$'000
Cash consideration	100,000
Cash and cash equivalents disposed of	(11,480)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	88,520

(c) Disposal of Apollo Automobile Group UK

On 1 December 2023, the Group disposed of its 100% equity interest in Apollo Automobile Group UK for a cash consideration of GBP 1 (equivalent to approximately HK$10).

	Note	HK$'000
Net assets disposal of:		
Property, plant and equipment	15	55
Prepayments, deposits and other receivables		171
Cash and cash equivalents		405
		631
Loss on disposal of a subsidiary		(631)
Total consideration		–*
Satisfied by :		
Cash		–*

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of Apollo Automobile Group UK is as follows:

	HK$'000
Cash consideration	–*
Cash and cash equivalents disposed of	(405)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(405)

* Amount less than HK$1,000

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) During the year, the Group had non-cash modification to right-of-use assets and lease liabilities of HK$8,315,000 and HK$8,315,000, respectively, in respect of lease modification for leased property.

(ii) During the year, the repayment of convertible bonds amounting to HK$39,000,000 had been offsetted with the consideration for 84,782,609 shares allotment to the same counterparty on 31 May 2024.

(iii) In the prior year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$202,000 and HK$202,000, respectively, in respect of lease arrangements for leased properties.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings HK$'000	Lease liabilities HK$'000	Convertible bonds HK$'000
At 1 January 2023	88,176	6,289	176,218
Changes from financing cash flows	(47,112)	(3,671)	(46,800)
Interest paid classified as financing cash flows	–	(246)	(14,742)
Non-cash changes:			
New leases	–	202	–
Interest expense	–	246	17,123
Fair value gains	–	–	(10,617)
Foreign exchange movement	(3,299)	–	–
At 31 December 2023 and at 1 January 2024	**37,765**	**2,820**	**121,182**
Changes from financing cash flows	**(19,034)**	**(3,162)**	**222,000**
Interest paid classified as financing cash flows	**–**	**(273)**	**(3,444)**
Non-cash changes:			
Remeasurement on lease modification	**–**	**8,315**	**–**
Termination of leases	**–**	**(126)**	**–**
Interest expense	**–**	**273**	**1,639**
Fair value gains	**–**	**–**	**(4,073)**
Offset with the consideration for the subscription of shares of the Company	**–**	**–**	**(39,000)**
Foreign exchange movement	**(2,356)**	**–**	**–**
At 31 December 2024	**16,375**	**7,847**	**298,304**

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024	2023
	HK$'000	HK$'000
Within operating activities	**2,065**	2,561
Within financing activities	**3,435**	7,950
Total	**5,500**	10,511

38. COMMITMENT

The Group had the following commitment provided to a joint venture at the end of the reporting period:

	2024	2023
	HK$'000	HK$'000
Capital contribution	**295,173**	296,818

39. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions, arrangements and balances detailed elsewhere in these financial statements, the Group had the following transaction with a related party in the prior year:

On 30 December 2022, the Group and Innosophi entered into a sale and purchase agreement for the disposal of the entire share capital of Chance Achieve for a total consideration of HK$408,000,000. The disposal was completed on 31 July 2023.

(b) Compensation of key management personnel of the Group

The directors of the Company comprise the key management personnel of the Group. Details of the compensation of the directors of the Company are included in note 10 to the financial statements.

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Loans receivable	–	159,157	159,157
Accounts receivable	–	8,596	8,596
Financial assets included in prepayments, deposits and other receivables	–	226,211	226,211
Financial assets at fair value through profit or loss	1,070,156	–	1,070,156
Cash and cash equivalents	–	464,844	464,844
Total	1,070,156	858,808	1,928,964

Financial liabilities

	Financial liabilities at fair value through profit or loss HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Accounts payable	–	83,244	83,244
Financial liabilities included in other payables and accruals	–	256,825	256,825
Interest-bearing bank borrowings	–	16,375	16,375
Lease liabilities	–	7,847	7,847
Convertible bonds	298,304	–	209,304
Total	298,304	364,291	662,595

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31 December 2024

40. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Loans receivable	–	209,543	209,543
Accounts receivable	–	1,844	1,844
Financial assets included in prepayments, deposits and other receivables	–	404,945	404,945
Financial assets at fair value through profit or loss	1,466,135	–	1,466,135
Cash and cash equivalents	–	64,289	64,289
Total	1,466,135	680,621	2,146,756

Financial liabilities

	Financial liabilities at fair value through profit or loss HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Accounts payable	–	101,379	101,379
Financial liabilities included in other payables and accruals	–	164,543	164,543
Interest-bearing bank borrowings	–	37,765	37,765
Lease liabilities	–	2,820	2,820
Convertible bonds	121,182	–	121,182
Total	121,182	306,507	427,689

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, the current portion of loans receivable, the current portion of financial assets included in prepayments, deposits and other receivables, accounts payable, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank borrowings reasonably approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of listed equity investment is based on quoted market prices. The following methods and assumptions were used to estimate the fair values of the other financial instruments of the Group.

The fair values of the non-current portions of loans receivable, financial assets included in deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of the reporting period were assessed to be insignificant. In the opinion of the directors, the fair values of these financial instruments reasonably approximate to their carrying amounts.

The fair values of the preferred shares included in unlisted investments have been determined by equity value allocation method with option pricing model or scenario analysis. The underlying equity values have been determined based on market-based approach, such as certain earnings multiples, or income approach, such as discounted cash flows.

The fair values of the convertible bonds have been determined using the Hull's binomial tree model, which incorporates the interest rate curves and the price evolution of the Company's shares over the validity period of the convertible bonds.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

	Valuation techniques	Significant unobservable inputs	Percentage or ratio	Sensitivity of fair value to the input
Unlisted investments — Preferred shares	Equity value allocation method	Risk-free rate	4.25% to 4.41% (2023: 4.92%)	HK$2,015,000 (2023: 1 percentage point increase in risk-free rate would result in decrease in fair value by HK$1,158,000)
		Volatility	52.89% to 95.87% (2023: 45.02% to 55.08%)	HK$8,333,000 (2023: 10% increase in volatility would result in decrease in fair value by HK$17,553,000)
Convertible bonds	Hull's binomial tree model	Risk-free rate	9.49% (2023: 0.18% to 1.03%)	HK$4,414,000 (2023: 1 percentage point increase in risk-free rate would result in decrease in fair value by HK$269,000)
		Bond yield	3.39% (2023: 10.08% to 10.92%)	HK$4,385,000 (2023: 1 percentage point increase in bond yield would result in decrease in fair value by HK$269,000)
		Volatility	90.0% (2023: 106.51% to 173.65%)	HK$4,593,000 (2023: 10% increase in volatility would result in increase in fair value by HK$6,000)

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Financial assets at fair value through profit or loss (before share of loss of an associate)	**31,315**	**–**	**1,059,484**	**1,090,799**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Financial assets at fair value through profit or loss (before share of loss of an associate)	42,406	–	1,492,588	1,534,994

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2023: Nil).

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Liabilities measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Convertible bonds	**–**	**–**	**298,304**	**298,304**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Convertible bonds	–	–	121,182	121,182

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (2023: Nil).

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Assets		Liabilities	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
At beginning of year	**1,492,588**	1,419,897	**(121,182)**	(176,218)
Net gain/(loss) recognised in the consolidated statement of profit or loss	**(316,104)**	72,691	**2,434**	(6,506)
Disposal	**(117,000)**	–	**–**	–
Issue of convertible bonds	**–**	–	**(300,000)**	–
Payments	**–**	–	**81,444**	61,542
Offset with the consideration for the subscription of shares of the Company	**–**	–	**39,000**	–
At end of year	**1,059,484**	1,492,588	**(298,304)**	(121,182)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, convertible bonds, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, which mainly arise directly from its operations or its investing activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The Group's policy is to obtain the most favourable interest rates available for its borrowings.

For RMB and JPY floating-rate bank borrowings, a 100 basis point increase/decrease in interest rates at 31 December 2024, with all other variables held constant, would have increased/decreased the Group's loss before tax for the year by nil (2023: increased/decreased the Group's loss before tax by HK$164,000) and HK$164,000 (2023: increased/decreased the Group's loss before tax by HK$213,000), respectively.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations.

The Group also has transactional currency exposures mainly arising from sales or purchases by operating units in currencies other than the units' functional currencies. The currency giving rise to this risk is primarily EUR. The Group does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates. The Group mitigates this risk by conducting the sales and purchases transactions in the same currency, whenever possible.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR exchange rates, with all other variables held constant, of the Group's loss before tax (arising from EUR denominated financial instruments).

	Increase/ (decrease) in EUR rate %	**Decrease/ (increase) in loss before tax HK$'000**
31 December 2024		
If the Hong Kong dollar weakens against the EUR	**5**	**153**
If the Hong Kong dollar strengthens against the EUR	**(5)**	**(153)**

	Increase/ (decrease) in EUR rate %	Decrease/ (increase) in loss before tax HK$'000
31 December 2023		
If the Hong Kong dollar weakens against the EUR	5	124
If the Hong Kong dollar strengthens against the EUR	(5)	(124)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

The Group mainly transacts on credit with creditworthy customers. Receivable balances are monitored on an on-going basis. In respect of loans receivable, individual credit evaluations are performed on borrowers. These evaluations take into account information specific to the borrowers such as the result of the borrowers' credit assessment performed by independent credit management service agents, their financial condition and the Group's past experience with the borrowers. Certain of these loans receivable are secured by certain assets of the respective borrowers or personal guarantees. The Group assesses the quality of collaterals by assessing the financial condition of the guarantors, the validity and value of the collaterals, if applicable.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Loans receivable					
— Normal**	136,527	–	–	–	136,527
— Doubtful**	–	22,587	78,000	–	100,587
Accounts receivable*	–	–	–	10,117	10,117
Financial assets included in prepayments, deposits and other receivables					
— Normal**	236,146	–	–	–	236,146
— Doubtful**	–	400,258	7,368	–	407,626
Cash and cash equivalents					
— Not yet past due	464,844	–	–	–	464,844
Total	837,517	422,845	85,368	10,117	1,355,847

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Loans receivable					
— Normal**	217,565	–	–	–	217,565
Accounts receivable*	–	–	–	3,020	3,020
Financial assets included in prepayments, deposits and other receivables					
— Normal**	178,242	408,000	–	–	586,242
Cash and cash equivalents					
— Not yet past due	64,289	–	–	–	64,289
Total	460,096	408,000	–	3,020	871,116

* For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 26 to the financial statements.

** The credit quality of loans receivable and the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in note 26 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk in relation to accounts receivable as 39% (2023: 82%) and 74% (2023: 99%) of the Group's accounts receivable were due from its largest trade debtor and five largest trade debtors, respectively.

At the end of the reporting period, the Group had certain concentrations of credit risk in relation to loans receivable as 33% (2023: 34%) and 97% (2023: 99%) of the Group's loans receivable were due from its largest borrower and five largest borrowers, respectively.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Equity price risk

Equity price risk is the risk that the fair values of investment securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments and unlisted investments included in financial assets at fair value through profit or loss (note 22) as at 31 December 2024. The Group's listed equity investments are listed on the Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to a 10% change in the fair values of the investment securities, with all other variables held constant, of the Group's loss before tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount HK$'000	Change in loss before tax HK$'000
31 December 2024		
Equity investments listed in Hong Kong	**31,315**	**3,132**
Unlisted investments	**1,059,484**	**105,948**
31 December 2023		
Equity investments listed in Hong Kong	42,406	4,241
Unlisted investments	1,492,588	149,259

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's objective is to ensure there are adequate funds to meet its contractual payments for financial liabilities in the short and longer terms. In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Cash flows of the Group are closely monitored by senior management on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 December 2024			
	On demand/ less than 1 year HK$'000	**1 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
Accounts payable	**83,244**	**–**	**–**	**83,244**
Financial liabilities included in other payables and accruals	**134,485**	**–**	**–**	**134,485**
Interest-bearing bank borrowings	**3,845**	**7,507**	**12,080**	**23,432**
Convertible bonds	**15,000**	**314,384**	**–**	**329,384**
Lease liabilities	**3,617**	**4,742**	**–**	**8,359**
Total	**240,191**	**326,633**	**12,080**	**578,904**

	31 December 2023			
	On demand/ less than 1 year HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Accounts payable	101,379	–	–	101,379
Financial liabilities included in other payables and accruals	164,543	–	–	164,543
Interest-bearing bank borrowings	25,877	4,288	15,679	45,844
Convertible bonds	123,820	–	–	123,820
Lease liabilities	2,796	79	–	2,875
Total	418,415	4,367	15,679	438,461

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is calculated by dividing total debts, which comprise interest-bearing bank borrowings (excluded convertible bonds), by total equity. As at 31 December 2024, the Group's gearing ratio was 0.8% (2023: 1.1%).

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43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024	2023
	HK$'000	HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**1,154**	2,623
Right-of-use assets	**7,418**	2,282
Investments in subsidiaries	**158,697**	1,599,186
Deposits	**2,378**	–
Financial assets at fair value through profit or loss	**31,315**	197,879
Deferred tax assets	**45**	45
Total non-current assets	**201,007**	1,802,015
CURRENT ASSETS		
Prepayments, deposits and other receivables	**157,064**	134,430
Financial assets at fair value through profit or loss	**116,328**	–
Due from subsidiaries	**1,126,313**	1,506,521
Cash and cash equivalents	**358,480**	5,477
Total current assets	**1,758,185**	1,646,428
CURRENT LIABILITIES		
Due to a subsidiary	**234,981**	189,429
Other payables and accruals	**34,252**	16,982
Lease liabilities	**3,277**	2,662
Convertible bonds	**298,304**	121,182
Total current liabilities	**570,814**	330,255
NET CURRENT ASSETS	**1,187,371**	1,316,173
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,388,378**	3,118,188
NON-CURRENT LIABILITIES		
Lease liabilities	**4,570**	–
Total non-current liabilities	**4,570**	–
Net assets	**1,383,808**	3,118,188
EQUITY		
Issued capital	**10,224**	4,807
Reserves (note)	**1,373,584**	3,113,381
Total equity	**1,383,808**	3,118,188

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000 Note (i)	Contributed surplus HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2023	6,616,638	–	171,394	(3,499,195)	3,288,837
Loss and total comprehensive loss for the year	–	–	–	(1,131,959)	(1,131,959)
Capital reduction	–	956,503	–	–	956,503
Cancellation of share premium account	(6,616,638)	6,616,638	–	–	–
Transfer of share option reserve upon the forfeiture of share options	–	–	(1,729)	1,729	–
At 31 December 2023 and at 1 January 2024	**–**	**7,573,141**	**169,665**	**(4,629,425)**	**3,113,381**
Issue of shares	**248,610**	**–**	**–**	**–**	**248,610**
Share issue expenses	**(2,784)**	**–**	**–**	**–**	**(2,784)**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**(2,002,404)**	**(2,002,404)**
Equity-settled share option arrangement	**–**	**–**	**16,781**	**–**	**16,781**
Transfer of share option reserve upon the forfeiture of share options	**–**	**–**	**(77,675)**	**77,675**	**–**
At 31 December 2024	**245,826**	**7,573,141**	**108,771**	**(6,554,154)**	**1,373,584**

Note:

(i) In accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

The share premium account of the Company includes: (i) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to a group reorganisation on 12 August 2002 over the nominal value of the share capital of the Company issued in exchange therefor; (ii) the premium arising from new share issues; (iii) the premium arising from a capitalisation issue; and (iv) the premium arising from issue of shares upon the exercise of share options.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2025.

PARTICULARS OF PROPERTIES HELD BY THE GROUP

31 December 2024

INVESTMENT PROPERTIES

Properties	Attributable interest of the Group	Ownership	Tenure	Existing use
Shop No. 277–279, Block D of 3, Zone B, Phase 1 of Huaqiang City Garden, Fuyong Jiedao, Bao'an District, Shenzhen City, Guangdong Province, the PRC	100%	Leasehold	Long term lease	Leased