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**E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED**

**易站綠色科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8475)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 August 2024 together with the comparative figures for the corresponding period of 2023 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 August 2024*

	<i>Notes</i>	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Revenue	4	<b>3,277</b>	34,291
Other income and gains and (losses), net	6	<b>51,080</b>	1,583
Cost of inventories consumed		<b>(861)</b>	(8,168)
Staff costs		<b>(5,749)</b>	(19,086)
Depreciation and amortisation		<b>(562)</b>	(5,193)
Rental and related expenses		<b>(418)</b>	(4,471)
Utility expenses		<b>(275)</b>	(1,773)
Marketing and advertising expenses		<b>(16)</b>	(150)
Franchise and licensing fees		<b>(67)</b>	(716)
Other operating expenses		<b>(5,892)</b>	(8,405)
Finance costs	7	<b>(105)</b>	(1,028)
Profit/(loss) before tax	8	<b>40,412</b>	(13,116)
Income tax expense	9	<b>(339)</b>	(763)
Profit/(loss) for the year		<b>40,073</b>	(13,879)
<b>Other comprehensive income/(expense)</b>			
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in the subsequent periods, net of tax:</i>			
Exchange differences on translation of foreign operations		<b>(518)</b>	(797)
Release of exchange reserve upon disposal of subsidiaries		<b>796</b>	–
Other comprehensive income/(expense) for the year, net of income tax		<b>278</b>	(797)
Total comprehensive income/(expense) for the year		<b>40,351</b>	(14,676)

	<b>2024</b>	2023
<i>Note</i>	<b><i>HKD'000</i></b>	<i>HKD'000</i> (Restated)
Profit/(loss) for the year attributable to:		
Owners of the parent	<b>40,244</b>	(13,382)
Non-controlling interests	<b>(171)</b>	(497)
	<u><b>40,073</b></u>	<u>(13,879)</u>
Total comprehensive income/(expense) attributable to:		
Owners of the parent	<b>40,630</b>	(14,122)
Non-controlling interests	<b>(279)</b>	(554)
	<u><b>40,351</b></u>	<u>(14,676)</u>
<b>Earnings/(loss) per share attributable to ordinary equity holders of the parent</b>		
— basic and diluted ( <i>HKD</i> )	<i>11</i> <u><b>0.700</b></u>	<u>(0.294)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 August 2024

		As at 31 August 2024 <i>HKD'000</i>	As at 31 August 2023 <i>HKD'000</i> (Restated)	As at 1 September 2022 <i>HKD'000</i> (Restated)
<b>Non-current assets</b>				
Plant and equipment		7	157	2,220
Right-of-use assets		<b>1,646</b>	–	4,203
Intangible assets		–	–	607
Goodwill		–	–	–
Rental and other deposits	12	<b>234</b>	35	1,731
		<b>1,887</b>	192	8,761
<b>Current assets</b>				
Inventories		<b>185</b>	726	275
Trade and other receivables, deposits and prepayments	12	<b>5,493</b>	6,994	6,311
Due from the holding company		<b>73</b>	168	152
Cash and bank balances		<b>626</b>	1,359	607
		<b>6,377</b>	9,247	7,345
<b>Current liabilities</b>				
Trade and other payables and accruals	13	<b>29,570</b>	35,486	27,592
Contract liabilities		<b>400</b>	–	–
Due to non-controlling interests		–	488	500
Due to a director		–	–	5,951
Tax payables		–	1,290	506
Interest-bearing other borrowings	14	–	3,933	3,158
Lease liabilities		<b>865</b>	1,574	8,913
Provision for reinstatement costs		–	319	1,158
		<b>30,835</b>	43,090	47,778
<b>Net current liabilities</b>		<b>(24,458)</b>	(33,843)	(40,433)
<b>Total assets less current liabilities</b>		<b>(22,571)</b>	(33,651)	(31,672)

	<b>As at 31 August 2024 HKD'000</b>	As at 31 August 2023 HKD'000 (Restated)	As at 1 September 2022 HKD'000 (Restated)
<b>Non-current liabilities</b>			
Lease liabilities	<b>858</b>	325	2,652
Due to a director	–	14,609	–
Deferred tax liabilities	<b>331</b>	198	191
Provision for reinstatement costs	–	35	2,001
	<u><b>1,189</b></u>	<u>15,167</u>	<u>4,844</u>
<b>Net liabilities</b>	<u><b>(23,760)</b></u>	<u>(48,818)</u>	<u>(36,516)</u>
<b>Capital and reserves</b>			
Share capital	<b>5,838</b>	5,280	4,400
Reserves	<b>(30,282)</b>	(47,849)	(35,221)
	<u><b>(24,444)</b></u>	<u>(42,569)</u>	<u>(30,821)</u>
Equity attributable to owners of the Company	<b>684</b>	(6,249)	(5,695)
Non-controlling interests	<u><b>684</b></u>	<u>(6,249)</u>	<u>(5,695)</u>
<b>Deficit in assets</b>	<u><b>(23,760)</b></u>	<u>(48,818)</u>	<u>(36,516)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 August 2024*

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

Pursuant to a special resolution passed at the Company's extraordinary general meeting held on 29 February 2024, the name of the Company changed from "K Group Holdings Limited 千盛集團控股有限公司" to "E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED 易站綠色科技集團有限公司". Subsequently, the Certificate of Incorporation on Change of Name and the Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company were issued by the Registrar of Companies in the Cayman Islands and the Registrar of Companies in Hong Kong on 8 March 2024 and 21 March 2024 respectively to certify the change of the Company's name.

The presentation currency of the Company was changed from Singapore dollars ("SGD") to Hong Kong dollars ("HKD") upon completion of disposal of subsidiaries engaged in restaurant operations in Singapore and having considered that the Company's shares are listed on the Stock Exchange and its stock is traded in HKD, the Company believes that the change of presentation currency enables the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. As such, the Company believes that it is more appropriate to adopt HKD as its presentation currency for the consolidated financial statements of the Group. Comparative figures have been restated to reflect the change in the Group's presentation currency.

During the year, the Group was involved in the following principal activities:

- Restaurant operations
- Sale of food ingredients
- Food supply chain services

The functional currency and the presentation currency of the Company are HKD and all values are rounded to the nearest thousand ("HKD'000") except when otherwise indicated.

## 2. BASIS OF PRESENTATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group had net current liabilities of HKD24,458,000 and net liabilities of HKD23,760,000 and while the Group had HKD626,000 cash and bank balances only.

The Directors have been undertaking a number of measures to improve the Group's liquidity and financial position, and to obtain the revolving loan facilities from an independent third party. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the following measures:

- (a) In order to meet the immediate working capital demand as stated above, the Group obtained a revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. During the contracted period, the Group is able to draw the loan amount at anytime with a 2-days notice period.
- (b) The Group is presently expanding its food supply chain business to diversify its operations and enhance its cash flow positivity.
- (c) The Group remains committed to implementing stringent expense controls as a continuous effort to manage costs effectively and optimize operational efficiency. By closely monitoring and scrutinizing expenses, the Group aims to identify areas for potential savings and ensure that resources are allocated judiciously.

The above conditions and the matters indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to achieve the abovementioned measures, it might not be able to continue in business as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, where applicable. The effect of these adjustments has not been reflected in the consolidated financial statements.

### 3. BASIS OF PREPARATION

#### (a) Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has applied the following amendments to HKFRSs issued by the issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning or after 1 September 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to Hong Kong Accounting Standard (“HKAS”) 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

#### *Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies*

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies.



**(b) Amendments to HKFRSs issued but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>4</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>5</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosure <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2027.

The Directors anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

#### 4. REVENUE

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes. An analysis of the Group's revenue for the year is as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time		
Restaurant operations	<b>2,854</b>	33,985
Sale of food ingredients	–	306
Food supply chain services	<b>423</b>	–
	<u><b>3,277</b></u>	<u>34,291</u>

#### 5. OPERATING SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

During the year ended 31 August 2024, the Group commenced the business of provision of food supply chain services in the PRC, and it is considered a new reportable and operating segment by the CODM.

During the year ended 31 August 2023, the CODM considered that there was only one reportable operating segment, being the restaurant operations business of the Group, as the CODM considered that the sale of food ingredients is relatively insignificant and is ancillary to the restaurant operations. Accordingly, no segmental analysis is presented for the year ended 31 August 2023.

## Segment revenue and results

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

*For the year ended 31 August 2024*

<b>Segments</b>	<b>Restaurant operations <i>HKD'000</i></b>	<b>Food supply chain services <i>HKD'000</i></b>	<b>Total <i>HKD'000</i></b>
<b>Revenue</b>			
External sales	<u>2,854</u>	<u>423</u>	<u>3,277</u>
Segment loss	(1,036)	(384)	(1,420)
Unallocated other income and gains and (losses), net			51,273
Unallocated staff costs			(4,039)
Unallocated depreciation			(7)
Unallocated rental and related expenses			(95)
Unallocated other operating expenses			<u>(5,300)</u>
Profit before tax			<u><u>40,412</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by each segment without allocation of certain other income and gains and (losses), net, certain staff costs, certain depreciation of plant and equipment, certain rental and related expenses and certain other operating expenses. This is the measure reported to the executive directors of the Company, being the CODM for the purposes of resources allocation and performance assessment.

## Segment assets and liabilities

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

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
<b>Segment assets</b>		
Restaurant operations	<b>1,854</b>	9,439
Food supply chain services	<b>6,273</b>	–
	<hr/>	<hr/>
Total segment assets	<b>8,127</b>	9,439
Unallocated corporate assets	<b>137</b>	–
	<hr/>	<hr/>
Consolidated assets	<b>8,264</b>	9,439
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment liabilities</b>		
Restaurant operations	<b>1,278</b>	58,257
Food supply chain services	<b>6,315</b>	–
	<hr/>	<hr/>
Total segment liabilities	<b>7,593</b>	58,257
Unallocated corporate liabilities	<b>24,431</b>	–
	<hr/>	<hr/>
Consolidated liabilities	<b>32,024</b>	58,257
	<hr/> <hr/>	<hr/> <hr/>

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

- all assets are allocated to operating segments other than certain plant and equipment, certain trade and other receivables, deposits and prepayments, due from the holding company and certain cash and bank balances; and
- all liabilities are allocated to operating segments other than certain trade and other payables and accruals.

## Other segment information

*For the year ended 31 August 2024*

	<b>Restaurant operations</b>	<b>Food supply chain services</b>	<b>Unallocated</b>	<b>Total</b>
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets ( <i>Note</i> )	–	908	–	908
(Reversal of)/impairment loss on other receivables under expected credit loss model, net	(115)	119	–	4
Impairment loss on goodwill	526	–	–	526
Depreciation and amortisation	340	215	7	562
Finance costs	72	33	–	105
	<u>166</u>	<u>173</u>	<u>–</u>	<u>339</u>
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Income tax expense	<u>166</u>	<u>173</u>	<u>–</u>	<u>339</u>

*Note:* Non-current assets excluded financial instruments.

For the year ended 31 August 2023, the Group is principally engaged in restaurant operations and regarded as one reportable and operating segment, no other segment information for the year ended 31 August 2023 is presented.

## Geographical information

The Group's operations are located in the Singapore, PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented base on the geographical location of the assets.

### *Disaggregation of revenue by geographical region*

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Singapore	<b>708</b>	34,291
PRC	<b>423</b>	–
Hong Kong	<b>2,146</b>	–
	<u><b>3,277</b></u>	<u>34,291</u>

### *Disaggregation of non-current assets by geographical region*

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Singapore	–	157
PRC	<b>689</b>	–
Hong Kong	<b>964</b>	–
	<u><b>1,653</b></u>	<u>157</u>

*Note:* Non-current assets excluded financial instruments.

### *Information about major customers*

No revenue from individual external customer contributed over 10% of total revenue of the Group for both years.

## 6. OTHER INCOME AND GAINS AND (LOSSES), NET

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Gains on disposal of subsidiaries	51,267	–
Gains on termination of leases	–	1,109
Government grants ( <i>Note</i> )	–	589
Management fee income	–	462
Exchange gain, net	–	6
Others	343	1,571
Impairment loss on right-of-use assets	–	(1,288)
Impairment loss on goodwill	(526)	–
Impairment loss on intangible assets	–	(508)
Impairment loss on other receivables under expected credit loss model, net of reversal	(4)	–
Loss on write off of plant and equipment	–	(358)
	<u>51,080</u>	<u>1,583</u>

*Note:* The amount represented grants which were received in Singapore. In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants.

## 7. FINANCE COSTS

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Interest on interest-bearing other borrowings	30	664
Interest on lease liabilities	75	364
	<u>105</u>	<u>1,028</u>

## 8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	<b>2024</b> <b>HKD'000</b>	2023 <i>HKD'000</i> (Restated)
Auditor's remuneration	<b>700</b>	700
Depreciation of plant and equipment	<b>89</b>	1,901
Depreciation of right-of-use assets	<b>473</b>	3,176
Amortisation of intangible assets	–	116
Loss on write off of plant and equipment	–	358
Employee benefit expenses excluding directors' and chief executive's remuneration		
— Salaries and allowances	<b>4,407</b>	16,528
— Retirement benefit contributions	<b>146</b>	1,022
— Share options expense	<b>281</b>	–
	<u><b>4,834</b></u>	<u>17,550</u>
Lease payments not included in the measurement of lease liabilities	<u><b>13</b></u>	<u>1,710</u>

## 9. INCOME TAX EXPENSE

	<b>2024</b> <b>HKD'000</b>	2023 <i>HKD'000</i> (Restated)
Current income tax expense		
— Singapore	–	763
Deferred income tax expense	<u><b>339</b></u>	<u>–</u>
Total tax expense for the year	<u><b>339</b></u>	<u>763</u>



## 10. DIVIDEND

No dividend was paid or proposed during the year ended 31 August 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 11. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share attributable to owners of the Company is based on the following:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
<b>Earnings/(loss):</b>		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculations	<u><b>40,244</b></u>	<u>(13,382)</u>
	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basis and diluted earnings/(loss) per share	<u><b>56,934</b></u>	<u>45,467</u>

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there was no potential dilutive ordinary shares in issue during the year (2023: Nil).

## 12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Trade receivables	4,071	2,910
Less: Impairment	<u>—</u>	<u>(1,778)</u>
Trade receivables, net ( <i>Note a</i> )	4,071	1,132
Other receivables	1,528	7,314
Less: Impairment	<u>(356)</u>	<u>(3,125)</u>
Other receivables, net ( <i>Note b</i> )	1,172	4,189
Rental and other deposits	443	1,435
Prepayments	<u>41</u>	<u>273</u>
	<u>5,727</u>	<u>7,029</u>
Less: Rental and other deposits classified as non-current assets	<u>(234)</u>	<u>(35)</u>
Trade and other receivables, deposits and prepayments — current portion	<u>5,493</u>	<u>6,994</u>

*Notes:*

### (a) Trade receivables

The Group's trading terms with its customers for restaurant operations are mainly on cash, credit card and online-platform settlement. Generally, there is no credit period granted to customers, except for certain customers in which credit period of 30–60 days is granted by the Group. 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 trade receivable balances.

The Group allows an average credit period of 0–30 days to its customers for food supply chain services.

An ageing analysis of trade receivables based on the invoice date for restaurant operations and food supply chain services, is as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
0–30 days	<b>4,071</b>	–
31–60 days	–	109
61–90 days	–	163
Over 90 days	–	860
	<u><b>4,071</b></u>	<u>1,132</u>

The movement in the allowance for impairment losses of trade receivables are as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
At beginning of the year	<b>1,778</b>	1,720
Disposal of subsidiaries	<b>(1,776)</b>	–
Exchange realignment	<b>(2)</b>	58
	<u>–</u>	<u>1,778</u>

**(b) Other receivables**

Movements of allowance for impairment losses on other receivables are as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
At beginning of the year	<b>3,125</b>	3,023
Acquired on acquisition of a subsidiary	<b>352</b>	–
Disposal of subsidiaries	<b>(3,123)</b>	–
Impairment loss, net	<b>4</b>	–
Exchange realignment	<b>(2)</b>	102
	<u><b>356</b></u>	<u>3,125</u>

### 13. TRADE AND OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	<b>2024</b> <b><i>HKD'000</i></b>	2023 <i>HKD'000</i> (Restated)
Trade payables	<i>(a)</i>	<b>4,091</b>	3,067
Goods and services tax payables		–	1,470
Salaries payables		<b>32</b>	2,376
Accruals		<b>2,126</b>	8,998
Other payables		<b>961</b>	9,671
Due to substantial shareholder — Mr. Lai	<i>(b)</i>	–	7,424
Due to director of the subsidiaries of the Company — Mr. Ho	<i>(b)</i>	–	2,480
Due to a former director of the Company — Mr. Zhou	<i>(c)</i>	<b>22,360</b>	–
		<b><u>29,570</u></b>	<b><u>35,486</u></b>

*Notes:*

- (a) Trade payables are normally settled upon delivery or 30 to 60 days terms.

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2024</b> <b><i>HKD'000</i></b>	2023 <i>HKD'000</i> (Restated)
0–30 days	<b>4,091</b>	331
31–60 days	–	285
61–90 days	–	267
Over 90 days	–	2,184
	<b><u>4,091</u></b>	<b><u>3,067</u></b>

- (b) The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.
- (c) Mr. Zhou resigned as the director of the Company during the year and remained as the director of the subsidiaries of the Company as at 31 August 2024. The amount was classified as due to a director in prior years and classified as other payables as at 31 August 2024. The amount is non-trade in nature, unsecured, interest-free and repayable on demand except for approximately HKD15,720,000 repayable on 30 November 2024.

## 14. INTEREST-BEARING OTHER BORROWINGS

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated)
Unsecured and repayable within one year:		
Unsecured other borrowings	<u>–</u>	<u>3,933</u>

As at 31 August 2023, the Group's other borrowings carried interest at fixed rate of 48% per annum. The amount included the outstanding principal and interests of approximately HKD2,951,000 and HKD982,000 which were payable on 26 October 2022 and 15 March 2023 respectively. Upon disposal of the subsidiaries, the Group has released the borrowings during the year ended 31 August 2024.

## 15. ACQUISITION OF A SUBSIDIARY

On 31 January 2024, the Company and the vendor entered into the acquisition agreement (the “**Acquisition**”), pursuant to which the Company has agreed to acquire and the vendor agreed to sell the 51% of the equity interest of PDR's Dining Limited (“**PDR**”) for a consideration of HKD1,000,000 by shares. The Acquisition was completed on 31 January 2024. The acquisition has been accounted for as acquisition of business using the acquisition method.

PDR is a company incorporated in Hong Kong which is principally engaged in operating restaurant in Hong Kong.

### Consideration transferred

	<i>HKD'000</i>
Shares consideration	<u>1,000</u>

PDR was acquired so that the Group can tap into the Hong Kong catering market for diversifying and expand the Group's business.

## Assets acquired and liabilities recognised at the date of acquisition

	<i>HKD'000</i>
Right-of-use asset	1,216
Deferred tax asset	8
Cash and bank balances	73
Other receivables	1,028
Trade and other payables and accruals	(135)
Lease liability	<u>(1,262)</u>
Net identifiable assets acquired	<u><u>928</u></u>

The fair value and gross contractual amounts of other receivables at the date of acquisition amounted to approximately HKD1,028,000.

## Goodwill arising on acquisition

	<i>HKD'000</i>
Consideration transferred	1,000
Plus: non-controlling interests (49% of PDR)	454
Less: Fair value of identifiable net assets acquired	<u>(928)</u>
Goodwill arising on acquisition	<u><u>526</u></u>

The non-controlling interests (49%) in PDR recognised at the acquisition date was measured by reference to the fair value of the non-controlling interests and amounted to approximately HKD454,000. This fair value was estimated at their proportionate share of net assets acquired.

Goodwill arose on the acquisition of PDR because the acquisition included the synergies which enhance and realise the expansion of restaurant business of the Group in Hong Kong.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

## 16. DISPOSAL OF SUBSIDIARIES

On 28 August 2024, the Company entered into a sale and purchase agreement with an independent third party to dispose of 100% equity interest in a direct wholly owned subsidiary, K Investment Holdings Limited incorporated in British Virgin Islands, for an aggregate cash consideration of approximately HKD60,000 (equivalent to SGD10,000). K Investment Holdings Limited and its subsidiaries were principally engaged in restaurant business in Singapore.

### An analysis of assets and liabilities over which control was lost:

	<i>HKD'000</i>
Plant and equipment	61
Cash and bank balances	375
Trade and other payables and accruals	(29,677)
Due to non-controlling interests	(480)
Interest-bearing other borrowings	(3,200)
Deferred tax liability	(199)
	<hr/>
Net liabilities disposed of	<u>(33,120)</u>

### Gain on disposal of subsidiaries:

	<i>HKD'000</i>
Cash consideration	60
Liabilities disposed of	33,120
Release of capital reserve	25,255
Release of non-controlling interests	(6,372)
Release of translation reserve	(796)
	<hr/>
Gain on disposal of subsidiaries	<u>51,267</u>

## **EXTRACT OF INDEPENDENT AUDITORS' REPORT**

The following is an extract of the independent auditors' report on the Group's consolidated financial statements for the year ended 31 August 2024 which included a disclaimer of opinion:

### **DISCLAIMER OF OPINION**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

As described in note 2 to the consolidated financial statements, the Group had net current liabilities of HKD24,458,000 and net liabilities of HKD23,760,000 and while the Group had HKD626,000 cash and bank balances only. The Group's ability to continue as a going concern is dependent on the going availability of financing to the Group, including the financial ability of the independent third party to provide unused of facility amounts.

As further described in note 2 to the consolidated financial statements, the Group obtained a revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. However, we have not been provided with sufficient appropriate documentary evidence to able us to assess the financial ability of the independent third party to provide such loan facilities to the Group. If the financing were not available, the Group would be unable to meet its financial obligations as and when they fall due. Hence, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the management of the Group.



Should the Group fail to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is a multi-brand restaurant group headquartered in Singapore. In 2024, based on the Company's business and market development situation, the Group, after careful consideration, closed down its original self-operated restaurant business in Singapore, and actively sought to carry out transformation and diversification of its business development, not excluding the major adjustments and development of its main restaurant business. At the end of the Year, the Group had a western restaurant operating in Hong Kong, and was developing its food supply chain business with a view to providing customers with authentic and quality food.

As of 31 August 2024, the Group owned one western restaurant operating in Hong Kong, a food supply chain trade company and a wine trade company established in Mainland China.

The following table summarises the changes in the number of the Group’s self-operated restaurants during the Year:

Brand	Chir		Nipong		Windmill	Total
	Chir 313	Masizzim 313	Naepong 313			
As at 31 August 2023	1	1	1		–	3
Addition	–	–	–		1	1
Closure	(1)	(1)	(1)		–	(3)
	<i>(Note 1)</i>	<i>(Note 1)</i>	<i>(Note 1)</i>		<i>(Note 2)</i>	
As at 31 August 2024	<u>–</u>	<u>–</u>	<u>–</u>		<u>1</u>	<u>1</u>

*Notes:*

1. On 30 November 2023, the Group ceased the operation of three restaurant businesses under the brands “Chir Chir”, “Masizzim” and “Nipong Naepong” due to the decline in operating results of the restaurants. By 31 August 2024, all formerly self-operated restaurants in Singapore were ceased.
2. Windmill is a western restaurant operating in Hong Kong acquired by the Group in January 2024, as detailed in the announcement published on 18 January 2024.

The competition in the restaurant and catering market in Singapore is intensively competitive. While closing down the former self-operated restaurant business in Singapore, the management of the Company (the “**Management**”) has also started expanding its restaurant business in Hong Kong and its food supply chain business in Mainland China, believing that the restaurant management experience that the Group possesses will help to continue exploring in the industry and achieve further growth in the future when the conditions are ripe.

Looking ahead, the Group will expand its restaurant network to the HKSAR and the PRC. The Group plans to (i) continue to focus on and develop its restaurant business and seek more development opportunities in Southeast Asia, the Guangdong-Hong Kong-Macao Greater Bay Area and Mainland China; (ii) develop more restaurant brands to enhance its market position, marketing efforts and management in each region; and (iii) vigorously develop the food supply chain business to provide more and better quality food to the society.

## FINANCIAL REVIEW

### Revenue

The Group's revenue is mainly generated from (i) restaurant operations; and (ii) sales of food ingredients. The following table sets forth the Group's revenue breakdown by nature for the Year and Year 2023.

	2024		2023	
	<i>HKD'000</i>	<i>%</i>	<i>HKD'000</i>	<i>%</i>
Restaurant operations	<b>2,854</b>	<b>87.1</b>	33,985	99.1
Sales of food ingredients	–	–	306	0.9
Food supply chain services	<b>423</b>	<b>12.9</b>	–	–
Total	<b><u>3,277</u></b>	<b><u>100.0</u></b>	<b><u>34,291</u></b>	<b><u>100.0</u></b>

### Restaurant operations

The restaurant revenue was mainly derived from the operation of Windmill restaurant in Hong Kong. During the Year, revenue generated from restaurant operations amounted to approximately HKD2,854,000, representing a decrease of approximately 91.6% from the previous year.

The decrease was mainly attributable to the Group's cessation of the operation of its self-operated restaurants in Singapore from the previous year to the financial Year. The shops that were closed during the Year and their respective closure dates are set out below:

Chir Chir 313 — 30 November 2023

Masizzim 313 — 30 November 2023

Nipong Naepong 313 — 30 November 2023

## **Food supply chain services**

Revenue from food supply chain services mainly represented revenue from sales of food through the operation of Shenzhen Qiansheng Holdings CO., Ltd.\* (深圳千盛控股有限公司). Turnover from the sale of food ingredients for the Year amounted to HKD65,825,000 and revenue from the food supply chain services amounted to HKD423,000.

## **Cost of inventories consumed**

Cost of inventories consumed primarily consisted of the cost of the food ingredients, beverages and packaging materials used in the operations of restaurants. The cost of inventories consumed decreased from approximately HKD8,168,000 in 2023 to approximately HKD861,000 in the Year, representing a decrease of approximately 89.5% as compared with 2023. During the Year, the decrease in cost of inventories consumed was in direct proportion to the decrease in revenue.

## **Gross profit and gross profit margin**

The Group's gross profit decreased from approximately HKD26,123,000 in 2023 to approximately HKD2,416,000 in the Year, while the gross profit margins were stable at 76.2% and 73.7% respectively.

## **Other income and gains and (losses), net**

Other income and gains and (losses), net, increased from gains of approximately HKD1,583,000 in 2023 to gains of approximately HKD51,080,000 in the Year. The increase was mainly due to the gain of HKD51,267,000 arising from the disposal of restaurant business in Singapore and impairment of goodwill on acquisition of PDR restaurant in Hong Kong of HKD526,000 as well as the gain of HKD343,000 on other items.

\* *For identification purposes only*

## Staff costs

The following table sets forth the breakdown of the Group's staff costs for the Year and Year 2023:

	<b>2024</b>	2023
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
Directors' remuneration	<b>724</b>	1,536
Salaries and allowances	<b>4,407</b>	16,528
Retirement benefit contributions	<b>146</b>	1,022
Share options expense	<b>472</b>	–
	<hr/>	<hr/>
Total	<b><u>5,749</u></b>	<u>19,086</u>

The decrease was mainly attributable to (i) cessation of operation of self-operated restaurants; (ii) adjustments to the remuneration packages of operating staff; and (iii) reduction in manpower.

## Depreciation and amortisation

Depreciation and amortisation decreased from approximately HKD5,193,000 in 2023 to approximately HKD562,000 in the Year, representing a decrease of approximately 89.2% as compared with 2023. Such decrease was mainly due to the decrease in depreciation expenses on plant and equipment and right-of-use assets.

## Rental and related expenses

All of the premises of the Group's self-operated restaurants, central kitchen and office were leased during the Year. Rental and related expenses decreased from approximately HKD6,539,000 in 2023 to approximately HKD561,000 in the Year, representing a decrease of approximately 82.3% as compared with 2023. Such decrease in the rental and related expenses was mainly due to the disposal of restaurants in Singapore.

The following table extracted the cost of lease payments for our operations:

	<b>2024</b>	2023
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
Depreciation of right-of-use assets	<b>473</b>	3,177
Lease payments not included in the measurement of lease liabilities	<b>13</b>	1,710
Impairment loss on right-of-use assets	–	1,288
Interest on lease liabilities	<b>75</b>	364
	<hr/>	<hr/>
Total	<b>561</b>	6,539
	<hr/> <hr/>	<hr/> <hr/>

### **Other operating expenses**

The other operating expenses primarily consisted of service fee paid to third party, legal and professional fees, travelling expenses, and other miscellaneous administrative expenses. Other operating expenses decreased from approximately HKD8,405,000 in 2023 to approximately HKD5,892,000 in the Year, representing a decrease of approximately 29.9% as compared with 2023. Such decrease was in line with the cessation of operation and disposal of self-operated restaurants in Singapore during the Year.

### **Finance costs**

The finance costs primarily consisted of interest expenses on interest-bearing other borrowings and lease liabilities. Finance costs decreased from approximately HKD1,028,000 in 2023 to approximately HKD105,000 in the Year, representing a decrease of approximately 89.8%. Such decrease was mainly due to the decrease in interest incurred on interest-bearing other borrowings and lease liabilities.

## **Profit for the Year**

The Group recorded a profit of approximately HKD40,073,000 for the Year (2023: loss of HKD13,879,000). The profit was mainly due to the closure of the Group's three remaining self-operated restaurants in Singapore on 30 November 2023 and the disposal of the restaurant business in Singapore on 28 August 2024, which resulted in a gain on disposal of HKD51,267,000.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 August 2024, the Group's current ratio was 0.2 (2023: 0.2). The current ratio is calculated as total current assets at the end of the year divided by total current liabilities at the end of the year. As at 31 August 2024, the Group's net gearing ratio was -1.2 (2023: -1.1). Gearing ratio is calculated as total debt at the end of the year divided by total equity at the end of the year and multiplied by 100%. Total debt represents all borrowings and payables of the Group, including amounts due to non-controlling interests and interest-bearing other borrowings. The increase in the Group's net gearing ratio was mainly due to the change in total equity to asset deficit as a result of the losses incurred during the Year, while the Group's total debt decreased by HKD26,278,000. As at 31 August 2024, the Group's total liabilities amounted to approximately HKD32,024,000 (2023: HKD58,257,000), which included amounts due to a former director of the Company of HKD22,360,000. The management has closely monitored the liquidity position of the Group and has taken appropriate measures to ensure that it has sufficient resources to meet its financial obligations.

As at 31 August 2024, the Group recorded net current liabilities of approximately HKD24,458,000 (2023: HKD33,843,000) and net liabilities of approximately HKD23,760,000 (2023: HKD48,818,000). The net liabilities were mainly due to the operating loss for the Year. The foregoing conditions indicates that there is a material uncertainty in the Group's sustainable inflow of funds, which may cast significant doubt on the Group's ability to continue as a going concern. The Directors have carefully considered the future liquidity and performance of the Group and its available sources of funding for its continuing operations. The Directors are of the opinion that the Group will have sufficient working capital to finance its operations for the foreseeable future and will be able to meet its financial obligations as and when they fall due based on the Group's cash flow projections and after taking into account the following: (i) obtain a revolving loan facility of HKD65,000,000 from an independent third party, which is valid from 6 December 2023 to 31 January 2025. During the

contractual period, the Group is able to draw the loan amount at any time within a 2-day notice period; (ii) consider expanding the business by acquiring profitable restaurants in other regions, such as in the HKSAR or in the PRC, identify other premises for restaurant operations in Singapore; and (iii) implement stringent expenditure control to continue to effectively manage its costs and optimise its operational efficiency.

## **CAPITAL STRUCTURE**

The Company's issued shares were successfully listed on GEM of the Stock Exchange on 13 August 2018. As at 31 August 2024, the total number of issued ordinary Shares was 58,382,280 with a par value of HKD0.1 each (31 August 2023: 52,800,000 shares).

On 21 September 2023 and 30 November 2023, 2,112,000 and 1,888,000 shares were allotted and issued upon exercise of options granted under the Share Option Scheme of the Company.

On 19 March 2024, 1,582,280 Shares were issued as consideration shares under the General Mandate at the issue price of HKD0.632 per consideration share, for the acquisition of 51% of interest in PDR's Dining Limited, a limited company incorporated in Hong Kong and is principally engaged in Western restaurant operations in Hong Kong under the business name of “風車 Windmill Restaurant & Bar”. Details of which are disclosed in the announcements of the Company dated 18 January 2024 and 12 March 2024.

The capital structure of the Group comprises of issued share capital and reserves.



## **CHANGE OF COMPANY NAME, STOCK SHORT NAMES AND COMPANY LOGO**

Subsequent to the passing of a special resolution approving the change of company name by the Shareholders by way of poll at the annual general meeting held on 29 February 2024, the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 8 March 2024 certifying the change of the English name of the Company from “K Group Holdings Limited” to “E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED” and the change of the dual foreign name in Chinese of the Company from “千盛集團控股有限公司” to “易站綠色科技集團有限公司”, both of which took effect from 8 March 2024. The certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Companies Registry in Hong Kong on 21 March 2024, confirming the registration of the Company’s new English and Chinese names of “E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED” and “易站綠色科技集團有限公司”, respectively, in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Following the change of company name, the stock short name of the Company for trading in the Shares on the Stock Exchange changed from “K GROUP HLDGS” to “E-STATION GTECH” in English and from “千盛集團控股” to “易站綠色科技” in Chinese, with effect from 9:00 a.m. on 3 April 2024. The stock code of the Company remains unchanged as “8475”.

Following the change of company name, the following logo:



was adopted by the Company as the company logo with effect from 27 March 2024.

## CONSTITUTIONAL DOCUMENTS

The third amended and restated memorandum and articles of association of the Company (the “**M&A**”) were adopted on 29 February 2024 to reflect the change of company name. A copy of the M&A is posted on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company.

Save as disclosed above, there was no further change in the M&A for the Year.

## ACQUISITION OF 51% OF PDR’S DINING LIMITED

On 18 January 2024, the Company (as purchaser) and Law Wai Leung (the “**Vendor**”) entered into the sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which the Company agreed to acquire and the Vendor agreed to sell 765,000 shares of PDR’s Dining Limited (the “**Target Company**”) (representing 51% of the total issued shares of the Target Company) at a total consideration of HKD1 million (the “**Consideration**”). Completion shall take place on the fifth Business Day after the date of the Sale and Purchase Agreement or such other date as the Vendor and the Company may agree. After Completion, the Target Company became a subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group. On 12 March 2024, the Purchaser has decided to and the Vendor has agreed to satisfy the Consideration by the allotment and issue of 1,582,280 Consideration Shares to the Vendor (or its nominee(s)) under the General Mandate at the issue price of HKD0.632 per Consideration Share upon Completion. The issue price of HKD0.632 represents a discount of approximately 16.84% to the closing price of HKD0.76 per Share as quoted on the Stock Exchange on 12 March 2024. On 19 March 2024, 1,582,280 Consideration Shares were issued to the Vendor and the Completion was taken place on the same date.

For details, please refer to the announcements of the Company dated 18 January 2024 and 12 March 2024.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The management believes that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. The management believes that the more significant risks relating to the Group's business are as follows:

- The Group may not successfully develop the brands recently franchised to the Group;
- The business and operation of the Group are susceptible to product liability or food safety claims;
- We are subject to changes in consumer preferences;
- The Group may face intense competition from our competitors in the restaurant and catering market; and
- Our operation may be adversely affected by any increase in staff costs in labour market, rental expenses and/or failure to renew existing leases of the leased properties on terms acceptable to us.

A detailed discussion of the risk factors is further set forth in the section headed "Risk Factors" in the prospectus of the Company dated 31 July 2018 (the "**Prospectus**").

## **FOREIGN CURRENCY EXPOSURE RISKS**

The Group's operations are mainly denominated in RMB and HKD (2023: RMB, SGD and MYR) with a small extent in other foreign currencies. As such, the Group did not have a significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

## **TREASURY POLICIES**

The management will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

## **SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in this announcement, during the Year, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures.

## **CAPITAL COMMITMENTS**

As at 31 August 2024, the Group did not have any capital commitments (2023: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group has no concrete plan for future investments or acquisition of capital assets in place as at the date of this announcement.

## **CONTINGENT LIABILITIES AND PLEDGE OF ASSETS**

As at 31 August 2024, the Group did not have any significant contingent liabilities and pledge of assets (2023: Nil).

## **ADDITIONAL INFORMATION ON AUDITORS' DISCLAIMER OF OPINION AND THE COMPANY'S VIEW AND MEASURES TO ADDRESS THE DISCLAIMER OF OPINION**

The Board wishes to draw the attention of the shareholders of the Company (the “**Shareholders**”) to the section headed “Basis for Disclaimer of Opinion” as contained in the Independent Auditor’s Report dated 29 November 2024 issued by the Company’s auditors, TARGET CPA LIMITED (the “**Auditor**”), contained in pages 24 and 25 of this announcement.

In order to address the uncertainties which may cast doubt regarding the Group's ability to continue as a going concern, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance to continue as going concern. In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into consideration the following:

- (a) In order to meet the immediate working capital demand as stated above, the Group obtained revolving loan facilities of approximately HKD65,000,000 from an independent third party which is effective from 15 December 2023 to 31 January 2025. During the contracted period, the Group is able to draw the loan amount at anytime with a 2-days notice period.
- (b) The Group is presently expanding its food supply chain business to diversify its operations and enhance its cash flow positivity.
- (c) The Group remains committed to implementing stringent expense controls as a continuous effort to manage costs effectively and optimize operational efficiency. By closely monitoring and scrutinizing expenses, the Group aims to identify areas for potential savings and ensure that resources are allocated judiciously.

## **REMOVAL OF THE AUDIT MODIFICATION**

The management considered that the proposed measures mentioned above, if successful, could improve the Group's liquidity and therefore could help to address the Audit Modification. However, as the management's assessment of the Group's ability to continue as a going concern for the purposes of preparing the Group's consolidated financial statements for the year ending 31 August 2025 has to take into consideration of the future conditions and circumstances and could only be made at the end of the relevant reporting period, the management is unable to ascertain at this moment whether the Audit Modification can be removed in the next financial year purely based on the Company's measures above.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The management recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the GEM Listing Rules. During the Year, the Board is of the view that the Company has complied with all applicable code provisions set out in the CG Code.

## **NON-COMPLIANCE WITH RULES 5.05(1), 5.05A AND 5.28 OF THE GEM LISTING RULES**

Reference is made to the announcement of the Company dated 15 October 2024 in relation to its non-compliance with Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules. Following the resignation of the former Director on 15 October 2024, the Company has failed to meet the following requirements:

- (1) the requirement under Rule 5.05(1) of the GEM Listing Rules which stipulates the board of directors of a listed issuer must include at least three independent non-executive directors;
- (2) the requirement under Rule 5.05A of the GEM Listing Rules which stipulates an issuer must appoint independent non-executive directors representing at least one-third of the board; and
- (3) the requirement under Rule 5.28 of the GEM Listing Rules which stipulates that the audit committee must comprise a minimum of three members.

The Company is in the process of identifying suitable candidate to fill the vacancy. The Company will continue to use its best endeavours to ensure that suitable candidate is appointed as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in this regard.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Year and thereafter up to the date of this announcement, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings in the securities (the “**Required Standard of Dealings**”) as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Year.

## **IMPORTANT EVENTS AFTER THE YEAR**

1. On 9 October 2024, Mr. Zhou Bo and Ms. Lin Weiyi (collectively, the “**Subscribers**”) and the Company entered into the settlement agreements (the “**Settlement Agreements**”) respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for the an aggregate of 7,776,360 new shares (the “**Settlement Shares**”) at HKD0.315 per Settlement Share (the “**Settlement Price**”) in settlement of the indebtedness due from the Group to the Subscribers (the “**Settlement**”).

Pursuant to the Settlement Agreements, subject to satisfaction of the conditions and at completion:

- (i) the Company shall duly issue and allot 7,046,200 Settlement Shares at the Settlement Price of HKD0.315 per Share to Mr. Zhou Bo, and the aggregate Settlement Price of the Settlement Shares in sum of approximately HKD2.2 million shall be set off against all indebtedness due from the Group to Mr. Zhou Bo at completion in the total amount of approximately HKD2,219,000 and no cash shall be payable by the Subscriber A to the Company in respect of such aggregate Settlement Price; and

(ii) the Company shall duly issue and allot 730,160 Settlement Shares at the Settlement Price of HKD0.315 per Share to Ms. Lin Weiyi, and the aggregate Settlement Price of the Settlement Shares in sum of approximately HKD0.2 million shall be set off against all indebtedness due from the Group to Subscriber B at Completion in the total amount of approximately HKD230,000 and no cash shall be payable by Ms. Lin Weiyi to the Company in respect of such aggregate Settlement Price.

There will be no proceeds from the issue of Settlement Shares, as the Settlement Shares are to be used to settle the Indebtedness in full. The Directors consider that the Settlement Agreement, if completed, would help strengthen the balance sheet of the Group and reducing indebtedness without significant cash outflow.

The Settlement completed on 1 November 2024.

2. On 9 October 2024, the Company and Mr. Zhou Bo entered into the subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Zhou Bo has conditionally agreed to subscribe for (the “**Subscription**”), 2,001,360 new Shares (the “**Subscription Shares**”) at HKD0.315 per subscription share.

The Board considers that the Subscription represents a good opportunity to raise additional funds to strengthen the financial position of the Group and provide funding to the Group to finance its working capital needs.

It is expected that the gross proceeds of the Subscription will be approximately HKD0.6 million and the net proceeds of the Subscription, after the deduction of all professional fees and related expenses, is estimated to be approximately HKD0.6 million. The net proceeds from the Subscription are intended to be used as general working capital of the Group. The aggregate nominal value of the Subscription Shares is HKD200,136. The market value of the Subscription Shares is approximately HKD0.6 million, based on the closing price of HKD0.275 per Share on the date of the Subscription Agreement. The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HKD0.300 per Subscription Share. The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue thereof.



The Subscription completed on 1 November 2024.

3. On 22 November 2024, 千盛（深圳）控股集團有限公司 (as purchaser) and Mr. Zheng Nianqiang (as vendor) entered into the sale and purchase agreement (the “SPA”), pursuant to which the purchaser agreed to acquire and the vendor agreed to sell, 51% equity interest of 南京華意投資發展有限公司 at a total consideration of HKD3.4 million, which will be satisfied by the issue of the promissory note (the “**Promissory Note**”) upon completion. The Promissory Note has 5 years maturity date from the date of issue the Promissory Note with no interest rate.

Completion shall take place on the fifth Business Day after the date of the SPA or such other date as the vendor and the purchaser may agree. After completion, the 南京華意投資發展有限公司 will become a non wholly-owned subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group.

As at the date of this announcement, the Acquisition has not yet completed.

For details, please refer to the announcement of the Company dated 22 November 2024.

Save as those disclosed above and in this announcement, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 31 August 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Board (the “AC”) was established on 23 July 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions D.3.3 and D.3.7 of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the AC are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The AC currently comprises two INEDs, namely Mr. Chau Wing Nam and Ms. Huang Weiyan. Mr. Chau Wing Nam is the chairman of the AC.

The AC has reviewed the audited consolidated financial statements and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### **SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 August 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, TARGET CPA LIMITED, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by TARGET CPA LIMITED in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed TARGET CPA LIMITED on the preliminary announcement.

### **PUBLICATIONS OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the Company's website and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Group for the year 31 August 2024 containing all the information required by the GEM Listing Rules will be despatched to shareholders of the Company and will also be published on the websites of both the Stock Exchange and the Company in due course.

## APPRECIATION

On behalf of the Board, I would like to express our gratitude to all our shareholders, customers, suppliers, banks and business partners for their continuous trust and support. We would also like to thank our team of dedicated staff for their invaluable services and contributions throughout the year ended 31 August 2024.

By order of the Board of Directors  
**E-STATION GREEN TECHNOLOGY GROUP CO., LIMITED**  
**Li Junjian**  
*Chairman and Executive Director*

Hong Kong, 29 November 2024

*As at the date of this announcement, the executive Directors are Mr. Li Junjian (Chairman), Mr. Chiang Ming Chun, Mr. Yeap Wei Han, Melvyn and Mr. Liang Qianyuan; the non-executive Director is Mr. Su Shiyi; and the independent non-executive Directors are Mr. Chau Wing Nam and Ms. Huang Weiyan.*

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

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at [www.kgroup.com.hk](http://www.kgroup.com.hk).*