

**abcmultiactive**  
**abc Multiactive Limited**  
**辰罡科技有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 8131)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 31 MAY 2024**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors of abc Multiactive Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, 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.*

\* For identification purposes only

## INTERIM RESULTS

The board of directors (the “**Board**”) of abc Multiactive Limited (the “**Company**”) presents the unaudited consolidated interim financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 May 2024, together with the comparative figures.

The unaudited revenue of the Group for the six months ended 31 May 2024 was HK\$12,850,000 (Six months ended 31 May 2023: HK\$13,364,000). The unaudited net loss for the six months ended 31 May 2024 was HK\$5,165,000 (Six months ended 31 May 2023: net loss of approximately HK\$2,096,000). Unaudited basic loss per share for the six months ended 31 May 2024 was HK\$1.09 cents (Six months ended 31 May 2023: basic loss per share of HK\$0.44 cents).

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

For the six months ended 31 May 2024

|   |       | (Unaudited)             |                       |
|---|-------|-------------------------|-----------------------|
|   |       | Six months ended 31 May |                       |
|   |       | 2024                    | 2023                  |
|   | Notes | <i>HK\$'000</i>         | <i>HK\$'000</i>       |
| Revenue   | 3     | 12,850                  | 13,364                |
| Cost of sales   |       | <u>(7,874)</u>          | <u>(3,562)</u>        |
| Gross profit  |       | 4,976                   | 9,802                 |
| Other losses or gains, net  | 5     | (1,792)                 | (2,860)               |
| Software research and development and operating expenses                                      |       | (1,790)                 | (2,339)               |
| Selling and marketing expenses  |       | (1,594)                 | (1,803)               |
| Administrative expenses   |       | <u>(4,269)</u>          | <u>(4,276)</u>        |
| Loss from operating activities  |       | (4,469)                 | (1,476)               |
| Finance costs   | 7     | <u>(696)</u>            | <u>(620)</u>          |
| Loss before tax   | 6     | (5,165)                 | (2,096)               |
| Income tax credit   | 8     | <u>–</u>                | <u>–</u>              |
| <b>Loss and total comprehensive loss for the period attributable to owners of the Company</b> |       | <u><u>(5,165)</u></u>   | <u><u>(2,096)</u></u> |
|   |       | <i>HK cents</i>         | <i>HK cents</i>       |
| <b>Loss per share</b>   |       |                         |                       |
| – Basic   | 10    | (1.09)                  | (0.44)                |
| – Diluted   | 10    | <u>N/A</u>              | <u>N/A</u>            |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2024 and 30 November 2023

|  |              | (Unaudited)<br>31 May<br>2024<br><i>HK\$'000</i> | (Audited)<br>30 November<br>2023<br><i>HK\$'000</i> |
|--|--------------|--|---|
|  | <i>Notes</i> |  |   |
| <b>ASSETS</b>  |              |  |   |
| <b>Non-current assets</b>  |              |  |   |
| Property, plant and equipment                                      |              | 151  | 196   |
| Right-of-use assets  |              | 77   | 91  |
| Goodwill   |              | 1,100  | 1,100   |
| Other intangible assets  |              | 148  | 236   |
|  |              | <u>1,476</u>                                     | <u>1,623</u>  |
| <b>Current assets</b>  |              |  |   |
| Trade and other receivables  | 11           | 12,208   | 28,323  |
| Contract costs   |              | 257  | 743   |
| Financial assets at fair value through<br>profit or loss (“FVTPL”) |              | 2,921  | 4,908   |
| Cash and cash equivalents  |              | 13,258   | 6,123   |
|  |              | <u>28,644</u>                                    | <u>40,097</u>                                       |
| <b>Total assets</b>  |              | <u><b>30,120</b></u>                             | <u><b>41,720</b></u>                                |
| <b>Capital and reserves</b>  |              |  |   |
| Share capital  |              | 59,934   | 59,934  |
| Reserves   | 12           | (56,924)   | (51,759)  |
| <b>Equity attributable to owners of the Company</b>                |              | <u><b>3,010</b></u>                              | <u><b>8,175</b></u>                                 |
| <b>LIABILITIES</b>   |              |  |   |
| <b>Non-current liabilities</b>                                     |              |  |   |
| Promissory notes   |              | 14,000   | 13,307  |
| Lease liabilities  |              | 55   | 69  |
|  |              | <u>14,055</u>                                    | <u>13,376</u>                                       |

|  |              | <b>(Unaudited)</b>     | (Audited)              |
|--|--------------|------------------------|------------------------|
|  |              | <b>31 May</b>          | 30 November            |
|  |              | <b>2024</b>            | 2023                   |
|  | <i>Notes</i> | <b><i>HK\$'000</i></b> | <b><i>HK\$'000</i></b> |
| <b>Current liabilities</b>                   |              |                        |                        |
| Trade and other payables and accruals        | <i>13</i>    | <b>8,465</b>           | 13,434                 |
| Contract liabilities                         |              | <b>4,543</b>           | 6,466                  |
| Lease liabilities                            |              | <b>27</b>              | 26                     |
| Amount due to a related company              |              | <b>–</b>               | 223                    |
| Tax payables                                 |              | <b>20</b>              | 20                     |
|  |              | <u><b>13,055</b></u>   | <u>20,169</u>          |
| <b>Total liabilities</b>                     |              | <u><b>27,110</b></u>   | <u>33,545</u>          |
| <b>Total equity and liabilities</b>          |              | <u><b>30,120</b></u>   | <u>41,720</u>          |
| <b>Net current assets</b>                    |              | <u><b>15,589</b></u>   | <u>19,928</u>          |
| <b>Total assets less current liabilities</b> |              | <u><b>17,065</b></u>   | <u>21,551</u>          |
| <b>Net assets</b>                            |              | <u><b>3,010</b></u>    | <u>8,175</u>           |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 May 2024

|  | <b>(Unaudited)</b>             |                        |
|--|--------------------------------|------------------------|
|  | <b>Six months ended 31 May</b> |                        |
|  | <b>2024</b>                    | <b>2023</b>            |
|  | <b><i>HK\$'000</i></b>         | <b><i>HK\$'000</i></b> |
| Net cash generated from operating activities             | <b>7,358</b>                   | 1,000                  |
| Net cash generated from investing activities             | <b>–</b>                       | –                      |
| Net cash used in financing activities                    | <b>(223)</b>                   | –                      |
|  | <hr/>                          | <hr/>                  |
| Net increase in cash and cash equivalents                | <b>7,135</b>                   | 1,000                  |
| Cash and cash equivalents at the beginning of the period | <b>6,123</b>                   | 7,674                  |
|  | <hr/>                          | <hr/>                  |
| Cash and cash equivalents at the end of the period       | <b>13,258</b>                  | 8,674                  |
|  | <hr/> <hr/>                    | <hr/> <hr/>            |
| Analysis of balances of cash and cash equivalents:       |                                |                        |
| Cash and bank balances                                   | <b>13,258</b>                  | 8,674                  |
|  | <hr/> <hr/>                    | <hr/> <hr/>            |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 May 2024

|   | Attributable to owners of the Company              |  |  |  |   |   |
|---|--|--|--|--|---|---|
|   | (Unaudited)<br>Share<br>capital<br><i>HK\$'000</i> | (Unaudited)<br>Share<br>premium<br><i>HK\$'000</i> | (Unaudited)<br>Contributed<br>surplus<br><i>HK\$'000</i> | (Unaudited)<br>Special<br>reserve<br><i>HK\$'000</i> | (Unaudited)<br>Accumulated<br>losses<br><i>HK\$'000</i> | (Unaudited)<br>Total<br>equity<br><i>HK\$'000</i> |
| As at 1 December 2022                               | 59,934   | 129,427  | 37,600   | 8,530  | (214,534)   | 20,957  |
| Loss and total comprehensive loss<br>for the period | –  | –  | –  | –  | (2,096)   | (2,096)   |
| As at 31 May 2023                                   | <u>59,934</u>                                      | <u>129,427</u>                                     | <u>37,600</u>  | <u>8,530</u>   | <u>(216,630)</u>  | <u>18,861</u>                                     |
| As at 1 December 2023                               | 59,934   | 129,427  | 37,600   | 8,530  | (227,316)   | 8,175   |
| Loss and total comprehensive loss<br>for the period | –  | –  | –  | –  | (5,165)   | (5,165)   |
| As at 31 May 2024                                   | <u><b>59,934</b></u>                               | <u><b>129,427</b></u>                              | <u><b>37,600</b></u>                                     | <u><b>8,530</b></u>                                  | <u><b>(232,481)</b></u>                                 | <u><b>3,010</b></u>                               |

## NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations. The unaudited consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinances. They are prepared under the historical cost convention.

The unaudited consolidated results for the six months ended 31 May 2024 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company’s annual financial statements for the year ended 30 November 2023, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) and Hong Kong Accounting Standards (“**HKASs**”) as disclosed in note 2 below.

### 2. IMPACT ON NEW HKFRSs AND HKASs

The HKICPA has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 December 2023. The Group has adopted, for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

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



### 3. REVENUE

The Group is principally engaged in the sales of computer software licenses and provision of related services; computer software licenses leasing and provision of related services; provision of maintenance services; sales of computer hardware and related products and provision of fintech resources services. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue for the six months ended 31 May 2024 is as follows:

|   | (Unaudited)             |                 |
|---|-------------------------|-----------------|
|   | Six months ended 31 May |                 |
|   | 2024                    | 2023            |
|   | <i>HK\$'000</i>         | <i>HK\$'000</i> |
| <b>Disaggregation of revenue from contracts with customers</b>  |                         |                 |
| Sales of computer software licenses, computer software licenses leasing and provision of related services | 1,676                   | 2,422           |
| Provision of maintenance services   | 5,658                   | 6,369           |
| Sales of computer hardware and related products   | 18                      | 20              |
| Provision of fintech resources services   | 5,498                   | 4,553           |
|   | <u>12,850</u>           | <u>13,364</u>   |
| <b>Timing of revenue recognition</b>  |                         |                 |
| A point in time   | 1,694                   | 2,421           |
| Over time   | 11,156                  | 10,943          |
|   | <u>12,850</u>           | <u>13,364</u>   |

### 4. SEGMENT INFORMATION

The Group was engaged in two business segments, namely financial solutions (“**Financial Solutions**”) and fintech resources (“**Fintech Resources**”).

The chief operating decision maker regularly reviews the nature of their operations and the products and services. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

## Segment revenue and results

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

|  | (Unaudited)             |                 |                   |                 |                 |                 |
|--|-------------------------|-----------------|-------------------|-----------------|-----------------|-----------------|
|  | Six months ended 31 May |                 |                   |                 |                 |                 |
|  | Financial Solutions     |                 | Fintech Resources |                 | Total           |                 |
|  | 2024                    | 2023            | 2024              | 2023            | 2024            | 2023            |
|  | <i>HK\$'000</i>         | <i>HK\$'000</i> | <i>HK\$'000</i>   | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue                                      | <u>7,352</u>            | <u>8,811</u>    | <u>5,498</u>      | <u>4,553</u>    | <u>12,850</u>   | <u>13,364</u>   |
| Segment results                              | <u>1,701</u>            | <u>4,363</u>    | <u>84</u>         | <u>1,327</u>    | <u>1,785</u>    | 5,690           |
| Net exchange gain                            |                         |                 |                   |                 | 2               | 13              |
| Central administration costs                 |                         |                 |                   |                 | (4,269)         | (4,285)         |
| Finance costs                                |                         |                 |                   |                 | (696)           | (620)           |
| Fair value loss on financial assets at FVTPL |                         |                 |                   |                 | (1,987)         | (2,894)         |
| Loss before tax                              |                         |                 |                   |                 | (5,165)         | (2,096)         |
| Income tax credit                            |                         |                 |                   |                 | —               | —               |
| Loss for the period                          |                         |                 |                   |                 | <u>(5,165)</u>  | <u>(2,096)</u>  |

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2023: Nil).

Segment results represent the profit/(loss) by each segment without allocation of net exchange gain/(loss), central administration costs, finance costs, fair value loss on financial assets at FVTPL and income tax credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

## Segment assets and liabilities

|                                | (Unaudited)             |                 |                   |                 |                 |                 |
|--------------------------------|-------------------------|-----------------|-------------------|-----------------|-----------------|-----------------|
|                                | Six months ended 31 May |                 |                   |                 |                 |                 |
|                                | Financial Solutions     |                 | Fintech Resources |                 | Total           |                 |
|                                | 2024                    | 2023            | 2024              | 2023            | 2024            | 2023            |
|                                | <i>HK\$'000</i>         | <i>HK\$'000</i> | <i>HK\$'000</i>   | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Assets and liabilities         |                         |                 |                   |                 |                 |                 |
| Segment assets                 | <b>24,164</b>           | 44,605          | <b>2,606</b>      | 2,489           | <b>26,770</b>   | 47,094          |
| Unallocated assets             |                         |                 |                   |                 | <u>3,350</u>    | <u>6,284</u>    |
| Consolidated total assets      |                         |                 |                   |                 | <u>30,120</u>   | <u>53,378</u>   |
| Segment liabilities            | <b>12,005</b>           | 20,035          | <b>483</b>        | 1,121           | <b>12,488</b>   | 21,156          |
| Unallocated liabilities        |                         |                 |                   |                 | <u>14,622</u>   | <u>13,361</u>   |
| Consolidated total liabilities |                         |                 |                   |                 | <u>27,110</u>   | <u>34,517</u>   |

For the purposes of monitoring segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the assets and liabilities attributable to each reportable segment on the following bases:

All assets are allocated to reportable segments other than financial asset at FVTPL and other unallocated head office and corporate assets.

All liabilities are allocated to reportable segments other than lease liabilities, promissory notes, amount due to a related company, other head office and corporate liabilities.

#### Other segment information

|  | (Unaudited)             |                 |                   |                 |                 |           |
|--|-------------------------|-----------------|-------------------|-----------------|-----------------|-----------|
|  | Six months ended 31 May |                 |                   |                 |                 |           |
|  | Financial Solutions     |                 | Fintech Resources |                 | Total           |           |
|  | 2024                    | 2023            | 2024              | 2023            | 2024            | 2023      |
| <i>HK\$'000</i>                                  | <i>HK\$'000</i>         | <i>HK\$'000</i> | <i>HK\$'000</i>   | <i>HK\$'000</i> | <i>HK\$'000</i> |           |
| Depreciation on property,<br>plant and equipment | 51                      | 81              | –                 | –               | 51              | 81        |
| Depreciation on right-of-use assets              | 7                       | 634             | –                 | –               | 7               | 634       |
|  | <u>51</u>               | <u>81</u>       | <u>–</u>          | <u>–</u>        | <u>51</u>       | <u>81</u> |

#### Geographical segments

The Group's revenue is generated from Hong Kong and all of the Group's non-current assets are located in Hong Kong. Accordingly, no geographical segment information is presented.

#### Information about major customers

No customer contributed 10% or more to the Group's revenue for the six months ended 31 May 2024 (2023: Nil).

#### 5. OTHER LOSSES OR GAINS, NET

|  | (Unaudited)             |                 |
|--|-------------------------|-----------------|
|  | Six months ended 31 May |                 |
|  | 2024                    | 2023            |
|  | <i>HK\$'000</i>         | <i>HK\$'000</i> |
| Interest income                              | 11                      | 21              |
| Net exchange gain/(loss)                     | 2                       | 13              |
| Fair value loss on financial assets at FVTPL | (1,987)                 | (2,894)         |
| Other income                                 | 182                     | –               |
|  | <u>(1,792)</u>          | <u>(2,860)</u>  |

## 6. LOSS BEFORE TAX

|   | <b>(Unaudited)</b>             |                 |
|---|--------------------------------|-----------------|
|   | <b>Six months ended 31 May</b> |                 |
|   | <b>2024</b>                    | <b>2023</b>     |
|   | <b>HK\$'000</b>                | <b>HK\$'000</b> |
| <b>Loss before tax arrived at after charging:</b>   |                                |                 |
| Depreciation on property, plant and equipment       | <b>51</b>                      | 81              |
| Depreciation on right-of-use assets                 | <b>7</b>                       | 634             |
| Directors' remuneration                             | <b>450</b>                     | 215             |
| Staff costs (excluding directors' remuneration)     |                                |                 |
| – salaries and allowances                           | <b>6,843</b>                   | 4,794           |
| – retirement benefit costs                          | <b>265</b>                     | 200             |
| Cost of computer hardware and related products sold | <b>16</b>                      | 12              |
| Amortisation of intangible assets                   | <b>88</b>                      | 30              |
|   | <b>_____</b>                   | <b>_____</b>    |

## 7. FINANCE COSTS

|   | <b>(Unaudited)</b>             |                 |
|---|--------------------------------|-----------------|
|   | <b>Six months ended 31 May</b> |                 |
|   | <b>2024</b>                    | <b>2023</b>     |
|   | <b>HK\$'000</b>                | <b>HK\$'000</b> |
| Imputed interest expenses on promissory notes | <b>693</b>                     | 568             |
| Interests expenses on lease liabilities       | <b>3</b>                       | 52              |
|   | <b>_____</b>                   | <b>_____</b>    |
|   | <b>696</b>                     | 620             |
|   | <b>_____</b>                   | <b>_____</b>    |

## 8. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits for the period (2023: No provision for Hong Kong profits tax has been made in the consolidated financial statements since the Group's Hong Kong entities have sufficient tax losses brought forward to set off against profit or no assessable profit).

No overseas profit tax has been calculated for the entities of the Group that are incorporated in Bermuda as it is exempted from profit tax for the six months ended 31 May 2024.

## 9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 May 2024 (2023: Nil).

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company for the six months ended 31 May 2024 is based on the unaudited net loss for the period of approximately HK\$5,165,000 (For the six months ended 31 May 2023: unaudited net loss of approximately HK\$2,096,000), and the weighted average number of 475,813,216 ordinary shares for the six months ended 31 May 2024 (For the six months ended 31 May 2023: 475,813,216 ordinary shares).

### Diluted earnings per share

The calculation of diluted loss per share for the six months ended 31 May 2024 did not assume the exercise of the convertible preference shares existed during the period as the exercise of the convertible preference shares would reduce loss per share, therefore anti-dilutive. Diluted loss per share for the six months ended 31 May 2024 was the same as the basic loss per share.

## 11. TRADE AND OTHER RECEIVABLES

|  | (Unaudited)<br>31 May<br>2024<br><i>HK\$'000</i> | (Audited)<br>30 November<br>2023<br><i>HK\$'000</i> |
|--|--|---|
| Trade receivables                          | 20,580   | 38,845  |
| Less: Allowance for ECL                    | <u>(11,793)</u>                                  | <u>(11,793)</u>                                     |
|  | 8,787  | 27,052  |
| Prepayment, deposits and other receivables | <u>3,421</u>                                     | <u>1,271</u>  |
|  | <u><u>12,208</u></u>                             | <u><u>28,323</u></u>                                |

The following is an aged analysis of the trade receivables presented based on invoice dates at the end of the reporting periods:

|              | (Unaudited)<br>31 May<br>2024<br><i>HK\$'000</i> | (Audited)<br>30 November<br>2023<br><i>HK\$'000</i> |
|--------------|--|---|
| 0-30 days    | 1,555  | 1,082   |
| 31-60 days   | 437  | 296   |
| 61-90 days   | 333  | 547   |
| Over 90 days | <u>18,255</u>                                    | <u>36,920</u>                                       |
|              | <u><u>20,580</u></u>                             | <u><u>38,845</u></u>                                |

## 12. RESERVES

The amounts of the Group's unaudited reserves and the movements therein for the current and the same period of the previous year are presented in the consolidated statement of changes in equity of the financial statements.

**13. TRADE AND OTHER PAYABLES AND ACCRUALS**

|                             | <b>(Unaudited)</b>     | (Audited)       |
|-----------------------------|------------------------|-----------------|
|                             | <b>31 May</b>          | 30 November     |
|                             | <b>2024</b>            | 2023            |
|                             | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Trade payables              | <b>120</b>             | 6,070           |
| Accruals and other payables | <b>8,345</b>           | 7,364           |
|                             | <b>8,465</b>           | 13,434          |

The following is an aged analysis of the trade payables, based on the invoice dates:

|               | <b>(Unaudited)</b>     | (Audited)       |
|---------------|------------------------|-----------------|
|               | <b>31 May</b>          | 30 November     |
|               | <b>2024</b>            | 2023            |
|               | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| 0-60 days     | <b>64</b>              | 600             |
| 61-365 days   | <b>30</b>              | 1,800           |
| Over 365 days | <b>26</b>              | 3,670           |
|               | <b>120</b>             | 6,070           |

The average credit period granted by suppliers is normally within 60-180 days (2023: 60-180 days).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

The Group recorded an unaudited revenue of approximately HK\$12,850,000 for the six months ended 31 May 2024 decreased by 3.8% from approximately HK\$13,364,000 for the corresponding period last year. The unaudited net loss of the Group for the six months ended 31 May 2024 was approximately HK\$5,165,000 which increased by 146.4% from loss approximately HK\$2,096,000 for the corresponding period last year. The increase mainly attributed to the net effect of decrease in gross profit, software research and development and operating expenses, selling and marketing expenses. Of the total unaudited revenue amount, (i) approximately HK\$1,675,000 or 13% was generated from sales of computer software licenses, software licenses leasing and provision of related services, (ii) approximately HK\$5,659,000 or 44% was generated from maintenance services, (iii) approximately HK\$18,000 or 0.2% was generated from sales of computer hardware and related products and (iv) approximately HK\$5,498,000 or 42.8% was generated from fintech resources services. The decrease in total revenue are attributed to slowdown in new license sales due to deferral of project engagement by customers and the Group has also taken more measurement in new customers on sales contracts signing and product delivery to achieve more effective risk management in operation. Despite this, the Group benefits from the growth in demanding and successful rate from recruitment services, the Group's unaudited revenue generated from fintech resources was approximately HK\$5,498,000 for the period, increased by 20.8% from approximately HK\$4,553,000 for the corresponding period last year.

During the period, the unaudited operating expenditures amounted to approximately HK\$5,863,000, decreased by 3.6% when compared to approximately HK\$6,079,000 for the corresponding period last year. The decrease was mainly attributed to decrease in sales commission which was in line with the decreased in revenue of sales computer software during the period.

During the period, the unaudited depreciation expenses on property, plant and equipment was approximately HK\$51,000, decreased 37.0% when compared to that of approximately HK\$81,000 for the corresponding period last year. The reason of decrease was mainly attributed to Hong Kong office relocation and additional spending on office renovation in last year.

The Group has no provision made for impairment of trade receivables for the six months ended 31 May 2024.

Total unaudited staff costs (excluding directors' remuneration) were approximately HK\$7,108,000 for the six months ended 31 May 2024, increased 42.3% when compared to approximately HK\$4,994,000 for the corresponding period last year. The reason of increase was mainly contributed to increase in payroll because of the number of staff increased during the period when compared to the corresponding period last year to cope with business activities of the Group.

## **Liquidity and Financial Resources**

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. No investments other than equity securities listed in Hong Kong, cash and other short-term bank deposits are currently permitted.

As at 31 May 2024, loans of amount HK\$8,000,000, HK\$3,000,000, HK\$2,000,000 and HK\$2,500,000 are loans from Active Investments Capital Limited, a related company wholly owned by a director of subsidiaries, which were unsecured, non-interest bearing and maturing on 1 June 2025. As at 31 May 2024, the aggregate amount of three promissory notes was approximately HK\$14,000,000.

The Group expresses its gearing ratio as a percentage of borrowings and long term debts over total assets. As at 31 May 2024, the Group's gearing ratio was 0.47 (2023: 0.33).

### **Pledge of Assets**

The Group did not have any mortgage or charge over its assets as at 31 May 2024.

### **Exposure to Fluctuation in Exchange Rates and Related Hedges**

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollars or Canadian dollars. It is the Group's policy for each operating entity to borrow in local currencies where necessary in order to minimise currency risk.

As at 31 May 2024, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

### **Treasury Policy**

Cash and bank deposits of the Group are either in Hong Kong dollars and Canadian dollars. The Group conducts its core business transaction mainly in Hong Kong dollars, such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant.

### **Contingent Liabilities**

The Group had no material contingent liabilities as at 31 May 2024.

### **Significant Investments**

The Group has not held any significant investment for the three months ended 31 May 2024.

### **Major Events**

As at 31 May 2024, the Group had no material capital commitments and no future plans for material investments or capital assets.



## **Employee and Remuneration Policy**

The directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme. As at 31 May 2024, the Group had employed 35 staffs in Hong Kong (2023: 24 staffs in Hong Kong). Total staff costs for the six months ended 31 May 2024 under review amounted to approximately HK\$7,108,000.

## **Pension Scheme**

Effective from 1 December 2000, the Group joined the Mandatory Provident Fund Scheme (the "MPF Scheme") for all of its employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is registered with the Mandatory Provident Fund Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the revised rules of the MPF Scheme on 1 June 2014, the Group and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000.

The retirement benefit scheme cost charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable by the Group to the funds and is expensed as incurred. No forfeited contribution for the Group is available to reduce the contribution payable in the future years. Contributions to the scheme vest immediately.

## **Operation Review**

For the six months ended 31 May 2024, the Group's unaudited revenue was approximately HK\$12,850,000, decreased by 3.8% from approximately HK\$13,364,000 for the corresponding period last year. Of the total unaudited revenue, revenue of approximately HK\$7,334,000 represented sales of self-developed software, revenue of approximately HK\$5,498,000 was generated from fintech resources services and revenue generated from sales of computer hardware and the third parties' products were approximately HK\$18,000.

### ***Financial Solutions services***

FinReg, FinReg KYC+ and its peripheral product lines (the "RegTech Solutions") were launched in the market since 2021. These has contributed a positive outcome to the Group. In addition to the increase in source of revenue stream, the Group also has a significant increase in new customers gained from RegTech Solutions. In response to the poor global economy, firms are more cautious about their investing and dragged down global economic growth including Hong Kong, the volatility in the worldwide's financial markets, has driven the deflation of the Hong Kong stock trading volume, where the overall investment sentiment has also become cautious. In the face of multiple uncertainties, the Group's new sales contract also has slow down during the period. Except for sales of software licenses and provision of professional services on Fintech Solutions,

the Group also provides these customers with annual maintenance services and other professional services for these products, which stable the Group's revenue. In the meantime, the Group is also in close negotiation with certain potential customers to implement RegTech Solutions.

In view of increasing awareness of regulatory compliance driven by the rapid development of financial industry, the Group captured the business opportunities of this promising market by devoting more resources to improve and enhance its RegTech Solutions namely FinReg that helps customers deal with trade surveillance and anti-money laundering monitoring related to securities trading activities with automation to ease their operation burden of regulatory compliance. In addition, FinReg KYC+ also is an integrated technology platform that assist customers efficiently manages KYC policies and regulatory compliance requirements and enables online account opening.

OCTOSTP system (“**OCTOSTP**”) and provision of the related services remain one of key source of revenue to the Group. The Group has consistently made significant strides in improving its businesses including strengthen its function of OCTOSTP to meet the functional needs of securities firms to respond to the technical requirements in launching the new platform for diversified stock trading by the Stock Exchange. During the period, the Group has completed all the implementation of the Hong Kong Investor Identification Regime (“**HKIDR**”) to its OCTOSTP customers for ensuring compliance going forward on the Stock Exchange.

With more new products and innovative ideas going to be launched to the market, the Group is committed to enhance its marketing activities for promoting its products and services. The Group has regularly carried out webinars with business partners and strengthened its digital social media platform to provide customers latest product development of the Group and boosts customer interaction. The Group will also reinforce its strategic initiatives and seeks new business opportunities to overcome the difficult operating environment.

### ***Development of product line***

Since regulatory compliance in financial industry is becoming more important, the Group has seen the market potential of RegTech Solutions and would dedicate more resources on the strengthen of RegTech Solutions to provide customers with tailored solutions, aiming at providing protections for financial institution customers against risks and non-compliance effectively.

In order to strengthen the Group's competitiveness, the Group has also expanded its product line in 2023. During the period, a new product developed by the Group was successfully launched into the market, namely “abcWealthConnect”. abcWealthConnect is an asset management platform for portfolio, order & internal control, it supports the technology needs of External Asset Manager (“**EAM**”) industry customers to maximize efficiency for automated portfolio construction and performance calculation to reduce their operational complexity, streamlines and administration across various financial products. With the launch of abcWealthConnect on the market, the Group has received positive feedback from customers, the Group is also negotiation with certain potential customers to implement abcWealthConnect.

The Group aims to help customers to improve business performance with efficiency and automation and will continue to explore additional value-added products of innovative technology solutions or services to meet industry need. The Group also believes that the diversified products lines, strengthened products functions and continuously innovating the technology of its products, which can effectively enhance the Group's competitiveness with the market.

### ***Fintech resources services***

In light of the market trend to adopt technologies to improve work efficiency and the growing demand of IT professionals due to rapid development of fintech, the Group has successfully acquired Leadership Solutions Limited in 2021, the Group was able to expand the fintech resources services market, which provides secondment and support services of IT professionals and recruitment services for customers. Backed by the expertise and experience of the Group's IT professionals in financial industry and with the dedicated effort of our sales and marketing team, the Group also achieved stable growth in revenue in fintech resources services segment during the period. For the six months ended 31 May 2024, the Group's unaudited revenue generated from fintech resources was approximately HK\$5,498,000, increased by 20.8% from approximately HK\$4,553,000 for the corresponding period last year. The increase was attributed to increase in demanding and successful rate from recruitment services during the period. During the period, the Group successfully expanded its customer base and signed recruitment services contracts with new customers from different industries for provision of the recruitment services. The Group also closely negotiating with certain customers for the provision of recruitment and secondment services.

### **Prospects**

Operational efficiency and increase its revenue growth will continue to be top priorities for the Group for 2024. In the coming year, the directors expect to be able to gain the benefits from its efforts spent on new products development and marketing promotion.

With a more efficient infrastructure and our well experience in the financial industry, the Group can dedicate more research and development focus on its core-solutions improvement and upgrading and more new diversified solutions. In past years, FinReg, KYC+ and its peripheral product line marks an important milestone as it has been successfully launched to the market and were well recognised by our customers. To go further, such product lines would be the cornerstone of innovative RegTech solutions in the securities brokerage industry in Hong Kong since more companies put emphasis on regulatory compliance and look for appropriate RegTech solutions. In 2023, the Group launched abcWealthConnect in the market to extend product line coverage to wealth and asset management segment in the financial industry. Meanwhile, the Group will continue to keep up with the market trend and the industry requirements and also will explore new business opportunities and widen the Group's revenue stream from both existing and potential customers, for example, provision of professional services in relation to our products. It is the belief of the directors of the Company that the Group has well-diversified products and services range, its technology enables the delivery of robust, scalable and innovative business solutions into the market faster and at a lower cost than alternatives which maintains its market competitiveness and it is well equipped to face future challenges and believe that the Group will be strongly positioned to optimistic growth when market conditions improve.

To strive for the realization of the above initiatives, the Group will increase its focus on its research and development capabilities and also improve the quality of its sales and marketing team. The Group's sales and marketing team will also continue to maintain closer business relationships with existing customers, explore the market for potential customers and is committed to improving the sales performance for 2024.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 May 2024, the interests and short positions of the directors and chief executives 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 under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

### **Long positions in shares**

No long positions of directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### **Long positions in underlying shares**

#### **a) *The Company:***

All options of the Company granted were expired on 27 May 2011.

No long positions of directors and chief executives in the underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

No further options can be granted under the Company's share option scheme adopted on 22 January 2001 until the new requirements of Chapter 23 of the GEM Listing Rules are complied with.

#### **b) *Associated Corporation:***

No long position of directors and chief executives in the underlying shares of the Associated Corporation were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

### **Long positions in debentures**

No long positions of directors and chief executives in the debentures of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### **Short positions in shares**

No short positions of directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### **Short positions in underlying shares**

No short positions of directors and chief executives in the underlying shares of the equity derivatives of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### **Short positions in debentures**

No short positions of directors and chief executives in the debentures of the Company and its associated corporations were recorded in the register.

Save as disclosed above, as at 31 May 2024, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

### **INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS**

As at 31 May 2024, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### **Long positions in shares**

| <b>Name</b>                           | <b>Capacity</b>  | <b>Nature of interest</b> | <b>Number of ordinary shares</b> | <b>Percentage of issued share capital</b> |
|---------------------------------------|------------------|---------------------------|----------------------------------|---|
| Bravo Merit Management Groups Limited | Beneficial owner | Corporate                 | 355,942,790                      | 74.81%                                    |
| Mr. Wai Ming LEUNG                    | Beneficial owner | Corporate                 | 355,942,790                      | 74.81%                                    |

Save as disclosed above, no long positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

## **Long positions in underlying shares**

On 22 November 2018, pursuant to the conditional subscription agreement dated 28 August 2018 (as supplemented and amended by a supplemental agreement dated 10 October 2018) entered into between the Company and MIL:

1. Five-year unlisted convertible bond with nil interest rate in the principal amount of HK\$29,699,876.20 was issued by the Company to MIL (the “**Convertible Bond**”). Based on the initial conversion price of HK\$0.17 per new ordinary share upon the exercise of the conversion rights attached to the Convertible Bond, a maximum number of 174,705,154 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attaching to the Convertible Bond.
2. 123,529,400 convertible preference shares were issued by the Company to MIL (the “**Convertible Preference Shares**”). Based on the initial conversion price of HK\$0.17 per new ordinary share upon the exercise of the conversion rights attaching to each the convertible preference share, a maximum number of 123,529,400 new ordinary shares shall be allotted and issued upon full exercise of the conversion rights attaching to the convertible preference shares.

On 18 August 2021, MIL fully exercised the conversion rights attached to the Convertible Bond for the full conversion into 174,705,154 ordinary shares in the capital of the Company at the conversion price of HK\$0.17 per ordinary share, following which the Company allotted and issued a total number of 174,705,154 ordinary shares to MIL.

On 30 August 2022, MIL sold to iRegular Consulting Limited, and iRegular Consulting Limited purchased from MIL, all Convertible Preference Shares issued by the Company at the consideration of HK\$0.049 per convertible preference share. During the period, there was no redemption or conversion of any of the Convertible Preference Shares issued by the Company.

Save as disclosed above, no long positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

## **Short positions in shares**

No short positions of other persons and substantial shareholders in the shares of the Company were recorded in the register.

## **Short positions in underlying shares**

No short positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

## **AUDIT COMMITTEE**

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three independent non-executive directors, namely Mr. Wai Hing Chau, Mr. Hoi Yuen Ng and Ms. Ouyang Cai. Mr. Wai Hing Chau is the chairman of the audit committee for the period.

The written terms of reference which describe the authorities and duties of the audit committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee should also require it to review arrangement employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action and to act as the key representative body for overseeing the Company’s relations with the external auditors. The audit committee provides an important link between the Board and the Company’s auditors in matters coming within the scope of the Group audit. It also reviews the financial reporting process and the adequacy and effectiveness of the Group’s internal control system.

During the six months ended 31 May 2024, the audit committee held two meetings for the purpose of reviewing the Company’s reports and financial statements, and providing advice and recommendations to the Board. The minutes of the audit committee meeting are kept by the company secretary.

The Group’s unaudited results for the six months ended 31 May 2024 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

During the six months ended 31 May 2024, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

## **CORPORATE GOVERNANCE CODE**

The Stock Exchange has issued the amendments on Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules effective on or after 1 January 2022. The Company is committed to maintain and ensure high standards of the CG Code. To comply with all the new and amended code provisions, set out in the CG Code contained in Appendix 15 of the GEM Listing Rules, relevant amendments and adoptions has been adopted by the Company during the period, except for the deviations as explained below, none of the directors is aware of information that would reasonably indicate that the Company is not, or was not, for any part of the accounting period for the six months ended 31 May 2024, in compliance with the CG Code set out by the Stock Exchange in Appendix 15 to the GEM Listing Rules.

## Financial Reporting

Code provision D.1.2 of the CG Code, stipulates that management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each director to discharge their duties under rule 5.01 and Chapter 17.

During the six months ended 31 May 2024, rather than provide monthly updates, the management of the Company has provided to the Board quarterly updates with the Company's performance, position and prospects in sufficient details during the regular Board meetings of the Company. In addition, the management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board. The management discussion and analysis prepared by management and reviewed by the Board of the directors are included in this announcement.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 May 2024, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

By order of the Board  
**Jinzhao HUANG**  
*Executive Director*

As at the date of this announcement, the Board comprises the following directors:

|                   |   |
|-------------------|---|
| Mr. Jinzhao HUANG | <i>(Executive Director)</i>                 |
| Mr. Ka Lun HWA    | <i>(Executive Director)</i>                 |
| Mr. Wai Hing CHAU | <i>(Independent Non-executive Director)</i> |
| Mr. Hoi Yuen NG   | <i>(Independent Non-executive Director)</i> |
| Ms. Ouyang CAI    | <i>(Independent Non-executive Director)</i> |

Hong Kong, 31 July 2024

*This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website for at least 7 days from the day of its posting and the website of the Company at [www.hklistco.com](http://www.hklistco.com).*