

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED
京基金融國際 (控股) 有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01468)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board of directors (the “**Board**”) of Kingkey Financial International (Holdings) Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2024 together with the comparative figures for the corresponding period in 2023. The unaudited condensed consolidated financial statements have been reviewed by the audit committee of the Company.

BUSINESS REVIEW

During the six months ending 30 September 2024, the global economy exhibited a mixed landscape characterised by both recovery signs and persistent challenges. Given the ongoing geopolitical conflicts and uncertainties surrounding the U.S. Federal Reserve’s interest rate policies, the capital markets in Hong Kong continued to be affected. While there are signs of improvement in the global economic outlook compared to the beginning of the year, particularly with indications that interest rate hikes may be easing, challenges persist. In this uncertain and volatile financial environment with lingering effects of elevated interest rates and geopolitical tensions, investors are increasingly adopting a cautious approach to their investment decisions.

Nevertheless, while Hong Kong’s financial sectors faced significant challenges during this period due to both local dynamics and international events, they also demonstrated resilience through strategic adaptations aimed at navigating these complexities. The government’s proactive measures in enhancing regulatory frameworks and promoting cross-border opportunities are expected to support long-term growth across these industries. The Directors consider that gradual yet positive trends in the Hong Kong market have allowed the Group’s performance in the past months to remain relatively stable, particularly in light of the significant challenges faced by the Group during the period, including the claims against the

Group raised by shareholders and creditors and the Company's provisional liquidation status. Despite these obstacles, the Group has successfully navigated the turbulent landscape and remains optimistic about its future prospects.

Securities and asset management

The Group has various financial service licences and established a comprehensive financial framework system to provide a wide range of financial services. The Group is licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”). Consequently, the Group not only engages in securities trading and offers margin financing to customers but also participates in the underwriting and placement of shares for both listing applications and listed companies in Hong Kong. Additionally, it provides portfolio management including stocks, bonds, discretionary managed accounts, and funds as well as investment consultation and advisory services tailored to meet the needs of the Group's customers.

During the reporting period, the segment revenue of securities and assets management are approximately HK\$10.0 million and approximately HK\$2.9 million respectively (2023: approximately HK\$15.5 million and approximately HK\$8.1 million respectively). The decrease of approximately total HK\$10.7 million was mainly resulting from the Group voluntarily undertake, to Securities and Futures Commission (“SFC”), that it shall not provide further financing to existing or new margin clients, as the Company was under provisional liquidation for restructuring purposes until the winding-up petition was lifted in June 2024.

Insurance brokerage

Kingkey Privilege Wealth Management Limited (“KKWM”) is our wealth management and insurance brokerage arm, registered with the Insurance Authority (“IA”) and Mandatory Provident Fund Schemes Authority (“MPFA”). As at 30 September 2024, it was operating a team of experienced insurance professionals with 33 licensed representatives under IA and 11 licensed representatives under MPFA. They act as individual financial advisers to provide quality service to their clients by adopting IFA 3.0 strategy to formulate detailed and tailor-made wealth management solutions based on the clients' needs and source appropriate investment tools with an aim to achieving desired return. Moreover, they assist their clients to grasp the most updated market information and analyse the risk and opportunities therefrom and assess their clients' portfolio regularly. For the six months ended 30 September 2024, KKWM has handled over 555 new insurance policies for about 408 clients and accumulated total Annualized First Year Premium (“AFYP”) amount of over HK\$73 million (2023: HK\$68 million); with total Annualized First Year Commission (“AFYC”) amount of over HK\$26 million (2023: over HK\$53 million).

The business slightly decreased by approximately 7.9% in terms of revenue to approximately HK\$52.3 million from approximately HK\$56.8 million of last year's corresponding period.

Fur

Due to the compulsory closure of all mink farms, there will be no more mink business in Denmark after the Copenhagen Fur June auction. As advised by the Company's legal advisers, accountants and auditors, it is concluded that there will be no more auction for fur and/or mink due to such local policy change. The Company's Danish legal advisers will assist the management in seeking relevant compensation.

Money lending

Our money lending business used to be our major revenue driver in the past two years. For the six months ended 30 September 2024, revenue increased by approximately HK\$7.1 million to approximately HK\$13.5 million (2023: approximately HK\$6.4 million), which shows the need for borrowing is more keen during first six months ended 30 September 2024. As usual, we have been cautious when granting a loan to minimise the risk of becoming a non-performing debt. In the meantime, none of the debtors together with their associates (if any), had borrowed the amount more than 8% of the total assets of the Group in aggregate at any time.

Membership and events

The membership and event segment is principally engaged in the Forbes Global Alliance (“FGA”) membership business and the events hosting business. The membership and event segment is operated by FGA Holdings Limited and its subsidiaries (“FGA Group”). FGA Group leverages the Forbes brand to congregate and promote exchange among professionals, entrepreneurs, and high net worth individuals through paid membership programs. The FGA Group also organises events together with Forbes China Group, in which FGA Group is responsible for seeking out sponsorships and ticket sales in return for a share of the event profit. The purpose of these events is also to provide opportunities for FGA members to connect, network and exchange ideas amongst each other, other attendees and guest speakers of the events.

On 21 June 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited, an indirect non wholly-owned subsidiary of the Company, and Energetic Force Investments Limited dated 6 June 2022, to terminate the sub-license agreement with effect from 30 June 2024. As a result, the total turnover for the first six months ended 30 September 2024 dropped significantly and registered only approximately HK\$1.7 million (2023: approximately HK\$17.8 million).

Insurance technology

The acquisition of our insurance technology segment was completed on 6 June 2022 with growth and development primarily since the third quarter of 2022. The insurance technology segment is in the business of providing marketing and information solutions to insurance brokerages through our insurance premium calculation platform. For the six months ended 30 September 2024, this segment recorded approximately HK\$38.5 million revenue (2023: approximately HK\$72.1 million).

Networking and licensing

This business is principally engaged in the business of licensing and sale of movie, music, and television content such as broadcasting rights. The networking and licensing segment will also be expanding into the licensing and sales of art and branded intellectual property and the management of webcast celebrities. For the six months ended 30 September 2024, this segment recorded approximately HK\$7.7 million revenue (2023: approximately HK\$85.9 million). This was mainly due to acute drop in demand for entertainment in the PRC.

PROSPECTS

Despite the global economic uncertainties, it is observed that there have been positive signals and growth of the Hong Kong and PRC economy and there are opportunities for business development and expansion over the past few months. The Company will monitor the world economy and assess its impact on the overall financial position and operating results of the Group. Going forward, the Group will strive to explore potential business opportunities, while maintaining its current operations in various businesses. The Group is committed to seeking new investment opportunities across various sectors that exhibit growth potential, aiming to achieve business diversification and ensure long-term corporate sustainability. The management will continuously assess and monitor developments in the external environment as well as the Group's business portfolio, making necessary adjustments to its strategies as needed.

During the second quarter of 2024, the Hong Kong stock market experienced a remarkable rebound due to the influx of capital from the PRC market. The Directors believe that Hong Kong has continued to show its resilience and attractiveness as a leading fundraising hub and hope that this upward momentum will continue and that the wealth effect can stimulate the overall economy. Looking ahead, the Group is dedicated to strengthen its focus on its provision of finance-related services. In particular, it is intended that additional resources are allocated to the Group's securities and asset management business to expand and invest these existing business segments, and gradually shifting from the fur and membership and events, having considered the changes in Danish policies and the termination of relevant license rights.

The Board presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2024 together with the comparative figures for the corresponding period in 2023, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (re-presented)
Continuing operations			
Revenue	3	139,964	264,666
Cost of sales		<u>(104,437)</u>	<u>(228,839)</u>
Gross profit		35,527	35,827
Other income	4	5,420	4,839
Other gains and losses, net	5	941	5,454
Loss on disposal of subsidiaries, net		(329)	–
Fair value change in contingent consideration payables		–	117,694
Reversal of impairment of loan receivables		360	–
Reversal of impairment of trade receivables		29,712	–
Administrative expenses		(63,602)	(56,742)
Finance costs	6	(4,632)	(6,310)
Share of result of associates		<u>(189)</u>	<u>(272)</u>
Profit before tax	7	3,208	100,490
Income tax expense	8	<u>(598)</u>	<u>(1,235)</u>
Profit for the period from continuing operations		<u>2,610</u>	<u>99,255</u>
Discontinued operations			
Loss for the period from discontinued operations		<u>(232)</u>	<u>(32,790)</u>
Profit for the period		<u>2,378</u>	<u>66,465</u>

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
<i>Notes</i>	(unaudited)	(unaudited) (re-presented)
Other comprehensive income (expense)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of overseas operations	1,034	(2,067)
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes of financial assets at fair value through other comprehensive income	(21,229)	542
Other comprehensive expense for the period, net of tax	(20,195)	(1,525)
Total comprehensive (expense) income for the period	(17,817)	64,940
Profit (loss) for the period attributable to owners of the Company		
– From continuing operations	5,703	99,636
– From discontinued operations	1,103	(22,953)
	6,806	76,683
Loss for the period attributable to non-controlling interests		
– From continuing operations	(3,093)	(381)
– From discontinued operations	(1,335)	(9,837)
	(4,428)	(10,218)

	Six months ended 30 September	
	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited) (re-presented)
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(13,704)	75,393
Non-controlling interests	(4,113)	(10,453)
	(17,817)	64,940
		(Restated)
Earnings per share		
	11	
Basic and diluted		
– From continuing and discontinued operations	0.75 HK cents	10.66 HK cents
– From continuing operations	0.63 HK cents	13.84 HK cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		30 September	31 March
		2024	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment	12	9,264	8,974
Right-of-use assets	12	2,185	6,095
Goodwill		7,452	7,452
Intangible assets	12	10,182	12,070
Investment in associates	13	13,393	13,582
Financial assets at fair value through profit or loss		151,894	150,557
Financial assets at fair value through other comprehensive income		1,500	22,729
Deposits	14	979	1,924
		196,849	223,383
Current assets			
Financial assets at fair value through profit or loss		21	25
Inventories		7,445	26,979
Trade and other receivables, prepayments and deposits	14	209,917	131,969
Loan receivables	15	254,602	167,304
Amounts due from related companies	18	3,052	3,052
Tax recoverable		547	1,170
Bank balances held on behalf of clients		135,305	194,167
Bank balances and cash		159,022	118,552
		769,911	643,218

		30 September	31 March
		2024	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Current liabilities			
Trade and other payables	16	257,318	278,628
Tax payables		6,554	6,100
Bank and other borrowings	17	17,000	38,329
Lease liabilities		2,727	5,460
Amount due to a related company	18	–	294
Amount due to a former director	18	34	34
Amount due to a shareholder	18	16,625	16,625
Corporate bonds	19	89,100	75,982
		389,358	421,452
Net current assets		380,553	221,766
Total assets less current liabilities		577,402	445,149
Non-current liabilities			
Lease liabilities		1,160	2,981
Corporate bonds	19	19,617	36,817
Deferred tax liabilities		275	336
		21,052	40,134
Net assets		556,350	405,015
Capital and reserves			
Share capital	20	109,871	76,300
Reserves		451,674	329,797
Equity attributable to the owners of the Company			
		561,545	406,097
Non-controlling interests		(5,195)	(1,082)
Total equity		556,350	405,015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to the owners of the Company								Attributable to non-controlling interests	Total	
	Share capital	Share premium	Merger reserve	Shares held for Share Award Scheme	Investments revaluation reserve	Translations reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2023 (audited)	71,773	1,759,754	(7,122)	(53,845)	(8,225)	(21,217)	(1,998)	(1,498,583)	240,537	133,301	373,838
Profit (loss) for the period	-	-	-	-	-	-	-	76,683	76,683	(10,218)	66,465
Other comprehensive income (expense) for the period											
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	(1,832)	-	-	(1,832)	(235)	(2,067)
Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	542	-	-	-	542	-	542
Total comprehensive income (expense) for the period	-	-	-	-	542	(1,832)	-	76,683	75,393	(10,453)	64,940
Issues of consideration shares	4,527	697,106	-	-	-	-	-	-	701,633	-	701,633
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	1,291	1,291
At 30 September 2023 (unaudited)	<u>76,300</u>	<u>2,456,860</u>	<u>(7,122)</u>	<u>(53,845)</u>	<u>(7,683)</u>	<u>(23,049)</u>	<u>(1,998)</u>	<u>(1,421,900)</u>	<u>1,017,563</u>	<u>124,139</u>	<u>1,141,702</u>
At 1 April 2024 (audited)	76,300	2,452,334	(7,122)	(53,845)	10,777	(21,358)	(1,154)	(2,049,835)	406,097	(1,082)	405,015
Profit (loss) for the period	-	-	-	-	-	-	-	6,806	6,806	(4,428)	2,378
Other comprehensive income (expense) for the period											
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	719	-	-	719	315	1,034
Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	(21,229)	-	-	-	(21,229)	-	(21,229)
Total comprehensive income (expense) for the period	-	-	-	-	(21,229)	719	-	6,806	(13,704)	(4,113)	(17,817)
Issues of share by placing	33,571	130,401	-	-	-	-	-	-	163,972	-	163,972
Disposal of shares under Share Award Scheme	-	-	-	53,845	-	-	-	(48,665)	5,180	-	5,180
At 30 September 2024 (unaudited)	<u>109,871</u>	<u>2,582,735</u>	<u>(7,122)</u>	<u>-</u>	<u>(10,452)</u>	<u>(20,639)</u>	<u>(1,154)</u>	<u>(2,091,694)</u>	<u>561,545</u>	<u>(5,195)</u>	<u>556,350</u>

Note: Other reserve mainly represents the difference between the amount of non-controlling interest adjusted and the fair value of the consideration paid on partial acquisition of subsidiaries without losing control over the subsidiaries.

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 31 March 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong respectively.

2(A). BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34, “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The unaudited condensed consolidated financial statements have been prepared on historical cost basis except that certain financial assets are stated at fair values. This unaudited condensed consolidated interim financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2024, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities and Current or Non-current and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of these amendments to HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 21	Lack of Exchangeability ¹

¹ Effective for annual periods beginning on or after 1 January 2025, earlier application is permitted

² Effective date to be determined

The Group has already commenced an assessment of the impact of these new and amendments to HKFRSs but is not yet in a position to state whether these new and amendments to HKFRSs would have a material impact on its results of operations and financial positions.

2(B). FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

The unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2024.

There have been no changes in the risk management policies of the Group since year ended.

Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "*Fair Value Measurement*". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At 30 September 2024

	Fair value measurements categorised into			
	Fair value <i>HK\$'000</i> (unaudited)	Level 1 <i>HK\$'000</i> (unaudited)	Level 2 <i>HK\$'000</i> (unaudited)	Level 3 <i>HK\$'000</i> (unaudited)
Financial assets at fair value through other comprehensive income				
– Listed equity securities	1,500	1,500	–	–
Financial assets at fair value through profit or loss				
– Unlisted equity securities	81,073	–	–	81,073
– Listed equity securities	21	21	–	–
– Unlisted funds	70,821	–	70,821	–

At 31 March 2024

	Fair value measurements categorised into			
	Fair value HK\$'000 (audited)	Level 1 HK\$'000 (audited)	Level 2 HK\$'000 (audited)	Level 3 HK\$'000 (audited)
Financial assets at fair value through other comprehensive income				
– Listed equity securities	22,729	22,729	–	–
Financial assets at fair value through profit or loss				
– Unlisted equity securities	83,230	–	–	83,230
– Listed equity securities	25	25	–	–
– Unlisted funds	67,327	–	67,327	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the six months ended 30 September 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

During the six months ended 30 September 2024, there were no transfers between levels of fair value hierarchy and no changes in valuation techniques in financial assets or financial liabilities.

3. SEGMENT AND REVENUE INFORMATION

Information reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Securities	–	Provision of securities brokerage, margin financing, underwriting, placing and consultancy services
Insurance brokerage	–	Provision of insurance brokerage services
Fur	–	Sale of pelted skin and fur skin brokerage
Assets management	–	Provision and arrangement of fund and assets management services
Money lending	–	Provision and arrangement of money lending services
Membership and event	–	Carrying out membership business and the event hosting and management business
Insurance technology	–	Development and operations of intelligent digital sales platforms and information technology services related to insurance business
Network and licensing	–	Provision of multi channel network and licensing service
Trading	–	Provision of agency service related to trading

During the period, the Group disposed Kingkey Capital Limited as a result, the trading segment was treated as discontinued operation.

As the sub-license agreement has been terminated on 30 June 2024, the membership and event segment was treated as discontinued operation.

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

Six months ended 30 September 2024

	Continuing operations							Discontinued operations			Total HK\$'000 (unaudited)
	Securities HK\$'000 (unaudited)	Insurance brokerage HK\$'000 (unaudited)	Fur management HK\$'000 (unaudited)	Assets management HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Insurance technology HK\$'000 (unaudited)	Network and licensing HK\$'000 (unaudited)	Sub-total HK\$'000 (unaudited)	Membership and event HK\$'000 (unaudited)	Trading HK\$'000 (unaudited)	
REVENUE	9,980	52,262	15,120	2,947	13,464	38,541	7,650	139,964	1,735	-	141,699
RESULTS											
Segment operating results	7,830	2,622	(19,290)	183	13,144	(2,605)	(170)	1,714	(4,420)	(2)	(2,708)
Amortisation of intangible assets	-	-	-	-	-	(1,971)	-	(1,971)	-	-	(1,971)
Gain on disposal of loan receivable	-	-	-	-	1,260	-	-	1,260	-	-	1,260
Reversal of impairment of trade receivables	29,712	-	-	-	-	-	-	29,712	-	4,259	33,971
Reversal of impairment of loan receivables	-	-	-	-	360	-	-	360	-	-	360
Segment results	37,542	2,622	(19,290)	183	14,764	(4,576)	(170)	31,075	(4,420)	4,257	30,912
Other gains and losses, net								(319)	(7)	(35)	(361)
(Loss) gain on disposal of subsidiaries, net								(329)	-	36	(293)
Finance costs								(4,632)	(26)	(37)	(4,695)
Share of result of associates								(189)	-	-	(189)
Unallocated corporate income								690	-	-	690
Unallocated corporate expenses								(23,088)	-	-	(23,088)
Profit (loss) before tax								3,208	(4,453)	4,221	2,976
Income tax expense								(598)	-	-	(598)
Profit (loss) for the period								2,610	(4,453)	4,221	2,378

Other information

	Continuing operations							Discontinued operations			Total HK\$'000 (unaudited)	
	Securities HK\$'000 (unaudited)	Insurance brokerage HK\$'000 (unaudited)	Fur management HK\$'000 (unaudited)	Assets management HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Insurance technology HK\$'000 (unaudited)	Network and licensing HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Sub-total HK\$'000 (unaudited)	Membership and event HK\$'000 (unaudited)		Trading HK\$'000 (unaudited)
Additions of property, plant and equipment	170	18	-	-	-	12	-	84	284	10	-	294
Amortisation of intangible assets	-	-	-	-	-	1,971	-	-	1,971	-	-	1,971
Depreciation of property, plant and equipment	52	-	-	8	-	6	-	127	193	60	-	253
Depreciation of right-of-use assets	229	612	-	-	-	162	-	452	1,455	-	-	1,455

Six months ended 30 September 2023

	Continuing operations							Discontinued operation		Total
	Securities	Insurance brokerage	Fur management	Assets management	Money lending	Insurance technology	Network and licensing	Sub-total	Membership and event	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE	15,492	56,820	19,789	8,127	6,444	72,138	85,856	264,666	17,757	282,423
RESULTS										
Segment operating results	14,180	(4,968)	(7,205)	5,317	6,423	688	1,206	15,641	11,035	26,676
Amortisation of intangible assets	-	-	-	-	-	(1,973)	-	(1,973)	(54,822)	(56,795)
Segment results	14,180	(4,968)	(7,205)	5,317	6,423	(1,285)	1,206	13,668	(43,787)	(30,119)
Other gains and losses, net								5,454	-	5,454
Fair value change in contingent consideration payables								117,694	-	117,694
Finance costs								(6,310)	(46)	(6,356)
Share of result of associates								(272)	-	(272)
Unallocated corporate income								497	-	497
Unallocated corporate expenses								(30,241)	-	(30,241)
Profit (loss) before tax								100,490	(43,833)	56,657
Income tax (expense) credit								(1,235)	11,043	9,808
Profit (loss) for the period								99,255	(32,790)	66,465

Other information

	Continuing operations							Discontinued operation		Total	
	Securities	Insurance brokerage	Fur management	Assets management	Money lending	Insurance technology	Network and licensing	Unallocated	Sub-total		Membership and event
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Additions of property, plant and equipment	-	4	-	-	-	-	-	-	4	28	32
Amortisation of intangible assets	-	-	-	-	-	1,973	-	-	1,973	54,822	56,795
Depreciation of property, plant and equipment	154	570	-	8	-	5	-	122	859	-	859
Depreciation of right-of-use assets	-	1,224	-	-	-	-	-	-	1,224	457	1,681

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current interim period (six months ended 30 September 2023: Nil).

Segment assets and liabilities

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

At 30 September 2024

	Continuing operations							Discontinued operations			Total HK\$'000 (unaudited)
	Securities HK\$'000 (unaudited)	Insurance brokerage HK\$'000 (unaudited)	Fur HK\$'000 (unaudited)	Assets management HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Insurance technology HK\$'000 (unaudited)	Network and licensing HK\$'000 (unaudited)	Sub-total HK\$'000 (unaudited)	Membership and event HK\$'000 (unaudited)	Trading HK\$'000 (unaudited)	
ASSETS											
Segment assets	302,035	27	8,944	547	254,602	18,443	21,109	605,707	6,708	-	612,415
Unallocated corporate assets								354,345	-	-	354,345
Total assets								<u>960,052</u>	<u>6,708</u>	<u>-</u>	<u>966,760</u>
LIABILITIES											
Segment liabilities	209,043	5,942	-	192	1,000	847	5,869	222,893	3,671	-	226,564
Unallocated corporate liabilities								183,846	-	-	183,846
Total liabilities								<u>406,739</u>	<u>3,671</u>	<u>-</u>	<u>410,410</u>

At 31 March 2024

	Continuing operations							Discontinued operations			Total HK\$'000 (audited)
	Securities HK\$'000 (audited)	Insurance brokerage HK\$'000 (audited)	Fur HK\$'000 (audited)	Assets management HK\$'000 (audited)	Money lending HK\$'000 (audited)	Insurance technology HK\$'000 (audited)	Network and licensing HK\$'000 (audited)	Sub-total HK\$'000 (audited)	Membership and event HK\$'000 (audited)	Trading HK\$'000 (audited)	
ASSETS											
Segment assets	257,014	3,087	20,698	2,141	167,304	20,687	21,014	491,945	8,770	7,814	508,529
Unallocated corporate assets								358,072	-	-	358,072
Total assets								<u>850,017</u>	<u>8,770</u>	<u>7,814</u>	<u>866,601</u>
LIABILITIES											
Segment liabilities	204,567	7,144	-	1,210	1,000	746	5,869	220,536	5,297	-	225,833
Unallocated corporate liabilities								235,753	-	-	235,753
Total liabilities								<u>456,289</u>	<u>5,297</u>	<u>-</u>	<u>461,586</u>

Revenue information

An analysis of revenue is as follows:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (re-presented)
Continuing operations		
Revenue from contracts with customers		
Insurance brokerage services income	52,262	56,820
Commission income from		
– Securities brokerage	1,005	1,617
– Underwriting, sub-underwriting, placing and sub-placing	1,416	299
Sale of pelted skin and fur skin brokerage	15,120	19,789
Assets management services income	2,947	8,127
Insurance technology services income	38,541	72,138
Network and licensing business income	7,650	85,856
Revenue from other sources		
Interest income from margin financing, cash clients and		
Initial Public Offering (“IPO”) Loans	7,559	13,576
Interest income from money lending services	13,464	6,444
	<u>139,964</u>	<u>264,666</u>

Note: Commission and services income from insurance brokerage, securities brokerage, underwriting, sub-underwriting, placing and sub-placing, insurance technology, network and licensing, sale of pelted skin and fur skin brokerage are recognised at point in time. Service income from assets management service income is recognised over time.

Geographical information

An analysis of the Group’s revenue for each of the reporting period by geographical market is as follows:

	Continuing operations		Discontinued operations		Total	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Hong Kong	78,653	86,883	–	–	78,653	86,883
Denmark	15,120	19,789	–	–	15,120	19,789
The People’s Republic of China	46,191	157,994	1,735	17,757	47,926	175,751
	<u>139,964</u>	<u>264,666</u>	<u>1,735</u>	<u>17,757</u>	<u>141,699</u>	<u>282,423</u>

4. OTHER INCOME

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Administrative fee income	1,067	370
Bank interest income	3,140	2,050
Commission income	–	180
Government subsidy	105	210
Handling income	583	589
Management fee income	120	663
Referral income	137	563
Sundry income	268	214
	<u>5,420</u>	<u>4,839</u>

5. OTHER GAINS AND LOSSES, NET

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

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Foreign exchange loss, net	(88)	(137)
Change in fair value of financial assets at FVTPL	(231)	1,404
Loss on disposal of financial assets at FVTPL	–	(31)
Gain on deem disposal of an associate	–	4,218
Gain on disposal of loan receivables	1,260	–
	<u>941</u>	<u>5,454</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Interests on:		
– Bank and other borrowings	1,222	2,652
– Cash clients' accounts	1	1
– Corporate bonds (effective)	3,208	3,186
– Lease liabilities (effective)	122	135
– Overdraft	79	336
	<u>4,632</u>	<u>6,310</u>

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Amortisation of intangible assets	1,971	1,973
Auditor's remuneration	245	150
Cost of inventories recognised as expenses	19,735	21,779
Depreciation of property, plant and equipment	193	859
Depreciation of right-of-use assets	1,455	1,224
Net foreign exchange loss	88	137
Reversal of impairment of loan receivables	(360)	–
Staff costs (including directors' remuneration)		
– Retirement benefit scheme contributions	377	472
– Salaries and allowances	15,590	19,530
	<u>15,590</u>	<u>19,530</u>

8. INCOME TAX EXPENSE

The charge (expense) credit comprises:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (re-presented)
Continuing operations		
Current tax		
Hong Kong Profits Tax	(659)	(1,296)
Deferred tax		
Original and reversal of temporary difference	<u>61</u>	<u>61</u>
Total income tax expense for the period	<u>(598)</u>	<u>(1,235)</u>

- (i) Hong Kong Profits Tax for the six months ended 30 September 2024 is calculated at 8.25% (six months ended 30 September 2023: 8.25%) on the first HK\$2 million of the estimated assessable profits and at 16.5% (six months ended 30 September 2023: 16.5%) on the estimated assessable profits above HK\$2 million according to the two-tiered profits tax rates regime.
- (ii) The Danish subsidiary is subject to Denmark Corporate Tax at 22% for the period (six months ended 30 September 2023: 22%).
- (iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.
- (iv) Tax arising in the PRC is calculated at the tax rates prevailing in the PRC. Taxation arising in other jurisdictions is calculated at the tax rate prevailing in the relevant jurisdictions.

9. DISCONTINUED OPERATIONS

Membership and event segment

On 19 February 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited (the “Sub-Licensee”) (non-wholly own subsidiary of the Company) and the Licensor dated 6 June 2022 (the “Sub-License Agreement”) from the Licensor. On 21 June 2024, the Group received a final notice of termination of sub-license agreement and the termination effected on 30 June 2024. As result, the membership and event segment was treated as discontinued operation.

The loss for the period from the discontinued membership and event segment is set out below. The comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to represent the membership and event segment as a discontinued operation.

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	1,735	17,757
Cost of sales	(1,573)	(537)
	<hr/>	<hr/>
Gross profit	162	17,220
Other income	14	1,348
Other gains or losses, net	(7)	–
Selling and distribution expenses	(765)	(3,045)
Administrative expenses	(3,831)	(59,310)
Finance costs	(26)	(46)
	<hr/>	<hr/>
Loss before tax	(4,453)	(43,833)
Income tax credit	–	11,043
	<hr/>	<hr/>
Loss for the period	(4,453)	(32,790)
	<hr/> <hr/>	<hr/> <hr/>

Trading segment

On 15 September 2024, the Group disposed Kingkey Capital Limited to an independent third party, as result, the trading segment was treated as discontinued operation.

The profit for the period from the discontinued trading segment is set out below.

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	–	–
Cost of sales	–	–
	<hr/>	<hr/>
Gross profit	–	–
Other income	1	–
Other gains or losses, net	(35)	–
Reversal of impairment of trade receivables	4,259	–
Administrative expenses	(3)	–
Finance costs	(37)	–
	<hr/>	<hr/>
Profit before tax	4,185	–
Income tax expense	–	–
	<hr/>	<hr/>
Profit for the period	4,185	–
Gain on disposal of a subsidiary	36	–
	<hr/>	<hr/>
Total profit for the period	4,221	–
	<hr/> <hr/>	<hr/> <hr/>

10. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the profit (loss) from continuing and discontinued operations attributable to owners of the Company for the six months ended 30 September 2024 of approximately HK\$5,703,000 and HK\$1,103,000 respectively (six months ended 30 September 2023: approximately profit of HK\$99,636,000 and loss of HK\$22,953,000 respectively) and the weighted average number of ordinary shares of 901,613,608 (six months ended 30 September 2023: 719,683,123* restated).

* Restated based on the share consolidation effective on 2 September 2024.

No diluted earnings per share for period ended 30 September 2024 and 2023 were presented as there were no potential ordinary shares in issue for both periods.

12. PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS/INTANGIBLE ASSETS

(a) Owned property, plant and equipment

During the six months ended 30 September 2024, the Group spent approximately HK\$294,000 (six months ended 30 September 2023: approximately HK\$32,000) on acquisition of property, plant and equipment and there was no disposal of property, plant and equipment (six months ended 30 September 2023: Nil).

(b) Right-of-use assets

During the six months ended 30 September 2024, the Group did not enter into any lease agreement and therefore no additions to right-of-use assets is recognised (six months ended 30 September 2023: Nil).

(c) Intangible assets

The Group had no acquisition and disposal of intangible asset for the six months ended 30 September 2024 and 2023.

13. INVESTMENT IN ASSOCIATES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
At the beginning of period/year	13,582	74,055
Disposals	–	(65,636)
Share of post-acquisition (loss) gain	(189)	5,163
	<u>13,393</u>	<u>13,582</u>

14. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade receivables from:		
Securities business (<i>Note a</i>)		
– Cash clients	5	4
– Margin clients	147,430	157,295
– Clearing house	96,588	11,396
– Brokers	6	6
	<u>244,029</u>	<u>168,701</u>
Assets management business (<i>Note b</i>)	523	2,109
Membership and event business (<i>Note c</i>)	9,444	11,551
Network licensing, insurance technology and trading business (<i>Note d</i>)	15,132	19,695
	<u>269,128</u>	<u>202,056</u>
Less: Provision for impairment of trade receivables	<u>(81,739)</u>	<u>(114,664)</u>
	<u>187,389</u>	<u>87,392</u>
Prepayments	8,069	9,850
Deposits	6,646	7,591
Other receivables	9,377	29,645
Less: Provision for impairment of deposits and other receivables	<u>(585)</u>	<u>(585)</u>
	<u>23,507</u>	<u>46,501</u>
	<u>210,896</u>	<u>133,893</u>
Analysis for reporting purpose as:		
Current assets	209,917	131,969
Non-current assets – Deposits	979	1,924
	<u>210,896</u>	<u>133,893</u>

Notes:

- (a) The settlement terms of trade receivables arising from the business of dealing in securities are two days after the trade date.

Cash clients

Cash clients are required to place cash deposits as prescribed in the Group's credit policy before execution of any purchase transactions. For overdue receivables, the management ensures that the listed securities belonging to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

Margin clients

The Company maintains a list of approved securities collaterals for margin lending at a specified loan-to-collateral ratio. The credit facility limits granted to margin clients are determined by the discounted value of the securities collaterals accepted by the Group's management. A margin call may occur when the balances of the outstanding receivables from margin clients exceed the permitted margin loan limit, or when the discounted value of the collateral securities is less than the balances due from margin clients.

As at 30 September 2024, the fair values of the pledged securities amounted to approximately HK\$170,181,000 (31 March 2024: approximately HK\$194,384,000).

- (b) The Group allows a credit period ranging from 0 to 90 days to its customers from the business of assets management.
- (c) The Group allows a credit period ranging from 0 to 30 days to its customers from the business of membership and event.
- (d) The Group allows a credit period ranging from 0 to 90 days to its customers from the business of network and licensing, insurance technology and trading.

The aging analysis of the Group's trade receivables from business of securities, net of allowance for expected credit loss ("ECL"), are as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Margin clients balances:		
No due date	<u>68,887</u>	<u>50,085</u>
Cash clients balances:		
Neither past due nor impaired	–	–
Past due but not impaired	<u>5</u>	<u>4</u>
	<u>5</u>	<u>4</u>
Other balances:		
Neither past due nor impaired	<u>96,588</u>	11,396
Past due but not impaired	<u>6</u>	<u>6</u>
	<u>96,594</u>	<u>11,402</u>
	<u>165,486</u>	<u>61,491</u>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement up to the end of the reporting period. In the opinion of the directors of the Company, there is no further credit provision required in excess of the allowance ECL.

The aging analysis of trade receivables from business of assets management, net of allowance for ECL, based on invoice date are as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
0–60 days	–	2,109
61–90 days	–	–
Over 90 days	<u>523</u>	<u>–</u>
	<u>523</u>	<u>2,109</u>

The aging analysis of trade receivables from the business of membership and event, net of allowance for ECL, based on invoice dates are as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
0–60 days	–	1,449
61–90 days	1,092	489
Over 90 days	5,526	6,788
	6,618	8,726

The aging analysis of trade receivables from the business of network and licensing, insurance technology and trading, net of allowance for ECL, based on invoice dates are as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
0–60 days	1,098	1,238
61–90 days	–	–
Over 90 days	13,664	13,828
	14,762	15,066

Receivables were related to customers for whom there was no recent history of default. As at 30 September 2024, the Group has assessed the recoverability of the receivables that were past due and considered any change in the credit quality of the trade receivables from the date when credit was initially granted and subsequent settlement after the end of the reporting period. In the opinion of the directors of the Company, no allowance for ECL has been recognised because there has not been a significant change in credit quality of these debtors and the amounts are still considered recoverable based on the good payment record of the customers and subsequent settlement after the end of the reporting period.

15. LOAN RECEIVABLES

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Loans from money lending business – secured	117,986	112,190
Loans from money lending business – unsecured	150,589	86,817
Interest receivables	18,486	9,756
	287,061	208,763
Less: Provision for impairment	(32,459)	(41,459)
	254,602	167,304

The Group offered a credit period ranging from 3 months to 2 years for the loans to its customers in money lending business with interest rate ranging from 10%–48% p.a. (31 March 2024: 10%–48% p.a.). The Group maintains strict control over its outstanding loans to minimise credit risk. Overdue balance is reviewed regularly by management.

The following is an aging analysis of the Group's loan receivables by age, presented based on the due date and net of allowance for ECL at 30 September 2024 and 31 March 2024:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
No past due	153,242	132,378
Overdue by:		
1–30 days	8,853	9,340
31–60 days	7,447	8,150
61–90 days	1,677	181
Over 90 days	83,383	17,255
	254,602	167,304

Analysis of the ECL allowance of loan receivables is as follows:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Balance at beginning of the period/year	41,459	5,527
Recovered during the period/year	(8,640)	(1,420)
(Reversal)/provision for the period/year	(360)	37,352
	32,459	41,459

16. TRADE AND OTHER PAYABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade payables from:		
Securities brokerage business (<i>Note a</i>)		
– Cash clients	25,017	31,980
– Margin clients	183,380	171,710
– Clearing house	–	–
	208,397	203,690
Assets management business (<i>Note b</i>)	192	1,210
Insurance brokerage business (<i>Note b</i>)	6,004	3,789
Insurance technology business (<i>Note b</i>)	332	–
Membership and event business (<i>Note b</i>)	2,137	3,309
Network and licensing business (<i>Note b</i>)	5,869	5,869
	222,931	217,867
Other payables:		
Accruals	971	3,214
Corporate bond interest payables	1,507	2,206
Amount due from a shareholder of a subsidiary (<i>Note c</i>)	12,375	15,112
Other loan interest payable	8	1,577
Received in advance	8,871	13,034
Value-added tax payable	275	7,151
Other operating expenses payables	6,428	14,680
Others	3,952	3,787
	257,318	278,628

Notes:

- (a) Trade payables to securities clients represent the monies received from and repayable to brokerage clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with those balances receivables.

The trade payables from the securities business are normally settled within two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which is repayable on demand. The money held on behalf of clients at the segregated bank accounts carries interest at prevailing interest rate of 0.01% (31 March 2024: 0.01%) per annum.

No aging analysis is disclosed as, in the opinion of directors, an aging analysis does not give additional value in view of the nature of the business.

- (b) Based on the invoice dates, aging analysis of trade payables from membership and event business, assets management business, network and licensing business, insurance brokerage business and insurance technology business as follow:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
0–60 days	5,103	4,840
61–90 days	604	–
91–120 days	1,111	27
Over 120 days	7,716	9,310
	<u>14,534</u>	<u>14,177</u>

- (c) Energetic Force Investments Limited is a shareholder of FGA Holdings Limited, a non-wholly owned subsidiary of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

17. BANK AND OTHER BORROWINGS

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Loan from other creditors	<u>17,000</u>	<u>38,329</u>

18. AMOUNT DUE FROM/TO A RELATED COMPANY/FORMER DIRECTOR/SHAREHOLDER

The amounts due are unsecured, interest-free and repayable on demand.

19. CORPORATE BONDS

At the end of the reporting period, corporate bonds were payable as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Maturity:		
Within one year	89,100	75,982
In more than one year but not more than two years	18,517	20,817
In more than two years but not more than five years	1,100	16,000
	<u>108,717</u>	<u>112,799</u>
Less: Amounts due for settlement within 12 months (shown under current liabilities)	<u>(89,100)</u>	<u>(75,982)</u>
Amounts due for settlement after 12 months (shown under non-current liabilities)	<u>19,617</u>	<u>36,817</u>

During the reporting period, the Group has issued corporate bonds with aggregate amount of HK\$39,200,000 (31 March 2024: HK\$70,200,000), with tenor of 1 year (31 March 2024: 1–3 years). The bonds were issued with coupon rate and effective interest rate of 6% (31 March 2024: ranging from 6%–7.5%), which were paid semi-annually.

Both parties do not have the rights to exercise partial or full early redemption. No conversion rights was granted under the corporate bond agreements.

20. SHARE CAPITAL

	30 September 2024		31 March 2024	
	Number of shares	Nominal value of ordinary shares HK\$'000 (unaudited)	Number of shares	Nominal value of ordinary shares HK\$'000 (audited)
Authorised:				
Ordinary shares of HK\$0.1 each (31 March 2024: HK\$0.01 each) (<i>Note c & d</i>)	100,000,000,000	1,000,000	10,000,000,000	100,000
Issued and fully paid:				
At the beginning of the period/year	7,629,963,067	76,300	7,177,296,401	71,773
Issue of consideration shares (<i>Note a</i>)	–	–	452,666,666	4,527
Placing of share (<i>Note b</i>)	1,709,111,726	33,571	–	–
Share consolidation (<i>Note d</i>)	(8,240,360,112)	–	–	–
At the end of the period/year	1,098,714,681	109,871	7,629,963,067	76,300

Notes:

(a) On 31 August 2023, 452,666,666 new ordinary shares of HK\$1.54 each of the Company were issued as the second tranche consideration shares for the acquisition of 70% equity interest in FGA Holdings Limited. Share capital and share premium of approximately HK\$4,527,000 and HK\$692,580,000 respectively were recorded.

(b) On 26 April 2024, a total of 1,525,992,613 ordinary shares were issued upon placing at an aggregate consideration of approximately HK\$89,720,000 of which approximately HK\$15,260,000 was credited to share capital and the remaining balance of approximately HK\$74,460,000 was credited to the share premium account.

On 23 September 2024, a total of 183,119,113 ordinary shares were issued upon placing at an aggregate consideration of approximately HK\$74,252,000 of which approximately HK\$18,311,000 was credited to share capital and the remaining balance of approximately HK\$55,941,000 was credited to the share premium account.

(c) During the six months ended 30 September 2024, the Company increased the authorised share capital from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each (“**Share(s)**”) to HK\$1,000,000,000 divided into 100,000,000,000 Shares by creation of an additional of 90,000,000,000 new Shares, which became effective on 22 August 2024.

(d) During the six months ended 30 September 2024, the Group carried out the share consolidation pursuant to which every ten existing shares consolidated into one consolidated share with effect on 2 September 2024.

21. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 September 2024, the Group entered into agreements with certain independent third parties to dispose of all the interests in Kingkey Capital Limited (“**Kingkey Capital**”) and Kingkey Privilege Management Service Limited (“**KPMS**”) with consideration HK\$1 and HK\$1 respectively. Kingkey Capital was engaged in trading business and KPMS was engaged in provision of management services.

The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the current period and the financial impacts are summarised as follows:

	Kingkey Capital <i>HK\$'000</i> (unaudited)	KPMS <i>HK\$'000</i> (unaudited)
Right-of-use assets	–	2,447
Other receivable, deposits and prepayments	–	870
Cash and cash equivalents	1	692
Others payables and accruals	–	(989)
Lease liabilities	–	(2,691)
Tax payables	(37)	–
	<hr/>	<hr/>
Net (liabilities) assets disposed of	(36)	329
Gain (loss) on disposal of subsidiaries	36	(329)
	<hr/>	<hr/>
Consideration	–	–
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents in respect of the disposal:		
Cash consideration	–	–
Less: Cash and cash equivalents disposed of	(1)	(692)
	<hr/>	<hr/>
Net cash outflow on disposal of subsidiaries	(1)	(692)
	<hr/> <hr/>	<hr/> <hr/>

22. EVENT AFTER THE REPORTING PERIOD

On 18 October 2024, the Company proposed to raise gross proceeds of approximately HK\$542.59 million before expenses by way of rights issue of up to 596,250,787 Company’s new shares (the “**Rights Share(s)**”) at the subscription price of HK\$0.91 per Rights Share based on one (1) Rights Share for every two (2) existing Company’s shares held at the close of business on the record date (i.e. 22 November 2024) (the “**Rights Issue**”). On 4 November 2024, the Company announced to revise the subscription price of HK\$0.91 per Rights Share to HK\$0.76 per Rights Share. On 18 November 2024, the Company announced to revise the timetable for the Rights Issue. As of the date of this announcement, the Rights Issue has not yet been completed. For details on the timetable, please refer to the Company’s announcement dated 18 November 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and segment results

Revenue from continuing operations of the Group for the six months ended 30 September 2024 was approximately HK\$140.0 million (2023: approximately HK\$264.7 million).

Securities

Kingkey Securities Group Limited, an indirect wholly-owned subsidiary of the Company, holds licenses for type 1 (dealing in securities) and type 4 (advising on securities), regulated activities under the Securities and Futures Ordinance. During the six months ended 30 September 2024, the Group's commission income from securities brokerage, underwriting and placing, plus interest income from securities margin financing, cash clients and IPO loans amounted to approximately HK\$10.0 million (2023: approximately HK\$15.5 million).

Revenue decreased by approximately HK\$5.5 million, primarily due to a decline in interest income from margin financing, which fell from approximately HK\$13.6 million in last corresponding period to approximately HK\$7.6 million during the six months ended 30 September 2024. This decrease was also attributed to the Group voluntarily undertake, to SFC, that it shall not providing further financing to existing or new margin clients, as the Company was under provisional liquidation for restructuring purposes until the winding-up petition was lifted in June 2024.

Although revenue dropped, the segment profit of securities business was reported approximately HK\$37.5 million for the six months ended 30 September 2024 (2023: approximately HK\$14.2 million), which was approximately HK\$23.3 million higher than last corresponding period. This was resulting from approximately HK\$29.7 million non-cash reversal of provision for margin loan receivables.

Insurance brokerage

Insurance brokerage represents the provision of insurance brokerage and wealth management services which commenced since 2018.

For the six months ended 30 September 2024, revenue from insurance brokerage business amounted to approximately HK\$52.3 million (2023: approximately HK\$56.8 million), representing commission income received from brokerage and dealing in insurance and mandatory provident fund products. The segment profit of insurance brokerage business was reported approximately HK\$2.6 million (2023: loss of approximately HK\$5.0 million), which was mainly due to more commission income was generated from our in-house licensed representatives with higher gross profit ratio.

Fur

The Group's fur business consists of sale of pelted skin and fur skin brokerage. For the six months ended 30 September 2024, the Group's fur business revenue decreased by 23.7% or HK\$4.7 million compared with the corresponding period of 2023 to approximately HK\$15.1 million (2023: approximately HK\$19.8 million).

The fur business reported segment loss of approximately HK\$19.3 million for the six months ended 30 September 2024 (2023: approximately HK\$7.2 million). The segment loss was mainly due to the approximately HK\$16.0 million legal and professional fee incurred for dealing the compensation with the Danish government during the first six months ended 30 September 2024.

Assets management

Kingkey Asset Management Limited, an indirect wholly-owned subsidiary of the Company was licensed to conduct type 1 (dealing in securities) since 2017, also type 4 (advising on securities) and type 9 (asset management) regulated activities since August 2022 under the Securities and Future Ordinance. It provides portfolio management services to its clients. The business is in the course of transitioning its securities brokerage business into Kingkey Securities Group Limited, which contributed a total revenue of approximately HK\$2.9 million (2023: approximately HK\$8.1 million) to the Group to streamline its operation.

The asset management business reported a segment profit of approximately HK\$0.2 million for the six months ended 30 September 2024 (2023: approximately HK\$5.3 million), mainly resulting from the decrease in securities brokerage income due to abovementioned transition.

Money lending

The Group holds a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The loan size for each transaction ranged from HK\$0.5 million to HK\$35 million and all loans were made to independent third parties.

The provision and arrangement of money lending business contributed approximately HK\$13.5 million and approximately HK\$14.8 million for both segment revenue and profit respectively to the Group for the six months ended 30 September 2024 (2023: approximately HK\$6.4 million for both segment revenue and profit respectively).

Our Group offers two types of loan which include corporate loan and personal loan.

As at 30 September 2024, our Group granted both secured and unsecured loan to 13 corporate customers, of which over 44% of them were secured by share charges. The principal of loans ranging from HK\$1 million to HK\$69 million, which were entered into during FY2022 to six months ended 30 September 2024. The gross corporate loans and interest receivable was accounted for approximately 82.7% of the entire gross loan and interest receivables of the Group as at 30 September 2024. The Group offered a credit period ranging from 3 months to 24 months for the loans with fixed interest rate ranging from 10% p.a. to 48% p.a..

As at 30 September 2024, our Group also granted both secured and unsecured loan to 6 individual customers, of which over 39% of them were secured by residential properties located in Hong Kong and share charges. The outstanding principal of loans ranging from HK\$0.5 million to HK\$18 million, which were entered into during FY2020 to six months ended 30 September 2024. The gross personal loans and interest receivable was accounted for approximately 17.3% of the entire gross loan and interest receivables of the Group as at 30 September 2024. The Group offered a credit period ranging from 6 months to 1 year for the loans with fixed interest rate ranging from 10% p.a. to 48% p.a..

During the six months ended 30 September 2024, the decrease in the recognised impairment loss of loan and interest receivables, from approximately HK\$41.5 million for the year ended 31 March 2024 to approximately HK\$32.5 million for the period ended 30 September 2024, was mainly due to recent of repayment of some loans previously impaired.

Membership and events

On 21 June 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited, an indirect non wholly-owned subsidiary of the Company, and Energetic Force Investments Limited dated 6 June 2022, to terminate the sub-license agreement with effect from 30 June 2024. Due to the termination of the relevant license rights, the Group is not able to operate the membership and event business and as a result, this segment was treated as discontinued operation.

The segment revenue and loss for the period from the discontinued membership and event segment are approximately HK\$1.7 million and approximately HK\$4.5 million respectively (2023: approximately HK\$17.8 and HK\$43.8 million respectively).

Trading

On 15 September 2024, the Group disposed all the interests of Kingkey Capital Limited to an independent third party, as result, the trading segment was treated as discontinued operation.

During the six months ended 30 September 2024, no revenue was generated from this segment, but recorded a segment profit of approximately HK\$4.3 million, which was as a result of a reversal of impairment of trade receivables recorded in last financial year upon full settlement during the six months ended 30 September 2024.

Insurance technology

The insurance technology segment in the business of providing marketing and information solutions to insurance brokerage through our insurance premium calculation platform, which the business was acquired in June 2022. During the six months ended 30 September 2024, the business contributed a revenue of approximately HK\$38.5 million (2023: approximately HK\$72.1 million) with reported segment loss of approximately HK\$4.6 million (2023: approximately HK\$1.3 million). The segment loss was mainly resulting from approximately HK\$1.9 million management fee expense and the non-cash amortisation of intangible assets separately.

Network and licensing

The multi-channel network and licensing segment is principally engaged in the business of licensing and sale of media, movie and television content, newly started in the second half of FY2023. The business contributed a revenue of approximately HK\$7.7 million (2023: approximately HK\$85.9 million) with reported segment loss of approximately HK\$0.2 million (2023: profit of approximately HK\$1.2 million) for the first six months ended 30 September 2024 which mainly due to acute drop in demand for entertainment in the PRC.

Other income

Other income from continuing operations for the six months ended 30 September 2024 was approximately HK\$5.4 million compared to approximately HK\$4.8 million for the corresponding period last year. The slight increase in HK\$0.6 million was mainly due to the increase in bank interest income.

Other gains and losses, net

For the six months ended 30 September 2024, other gains and losses, net, from continuing operations recorded a gain of approximately HK\$0.9 million, compared to approximately HK\$5.5 million for the corresponding period last year. This gain is primarily attributed by a gain of approximately HK\$1.3 million from the disposal of loan receivables in the money lending business, which was partially offset by an approximately HK\$0.2 million in the fair value loss of financial assets at fair value through profit or loss.

Fair value change in contingent consideration payable

There was a fair value gain of approximately HK\$117.7 million for the first sixth months ended 30 September 2023. This was mainly resulting from the share price drop of the second tranche considerations shares (i.e. 452,666,666 shares of the Company at HK\$0.01 each) pursuant to the sale and purchase agreement dated 4 June 2021 entered into between the Company and Great Return Group Limited as at the issue date, compared with the valuation results conducted by an independent professional valuer as at 31 March 2023. Since the transaction was completed in last financial year, there was no such change in fair value during the six months ended 30 September 2024.

Administrative expenses

Administrative expenses from continuing operations increased by approximately 12.2% to approximately HK\$63.6 million (2023: approximately HK\$56.7 million). The increase was mainly due to the increase in legal and professional fee incurred for dealing the compensation with the Danish government for fur business, offsetting the effort on our cost control measures.

Finance costs

For the six months ended 30 September 2024, the finance costs from continuing operations, mainly represented the interest expenses for the corporate bonds and bank and other borrowings. It was significantly decreased by approximately 27.0% to approximately HK\$4.6 million (2023: approximately HK\$6.3 million) mainly due to the decrease in bank and other borrowings. This was resulting in fund raising from 2 placings during the six months ended 30 September 2024, which avoid high interest rates from bank or other financial institutions.

Profit for the period

Profit for the period of approximately HK\$2.4 million was reported for the six months ended 30 September 2024 (2023: approximately HK\$66.5 million).

It was noted that the net profit for the 2023 Interim Period was primarily attributable to a one-off fair value adjustment in contingent consideration payables associated with the acquisition of FGA Holdings Limited and its subsidiaries, amounting to approximately HK\$117.7 million. It is important to note that this adjustment was absent in the 6 months ended 30 September 2024 and was not related to the operational activities of the Group. Without this adjustment, last corresponding period would have resulted in a net loss of approximately HK\$51.2 million. Accordingly, it was believe that the Group has achieved a genuine improvement in performance, as supported by the expected positive net profit for the six months ended 30 September 2024.

Dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: Nil).

Significant investments and acquisition

On 24 September 2024 (after trading hours), the Company (the “**Purchaser**”) and IndexAtlas AG, a company incorporated in Switzerland with limited liability (the “**Vendor**”) entered into the sale and purchase agreement (the “**Agreement**”) in relation to the proposed acquisition of the 6,000,000 fully paid-in bearer shares of par value of CHF0.42 each in the share capital of the Youngtimers AG, a company incorporated in Switzerland with limited liability and the issued Shares of which are listed on the SIX under the ticker “YTME” (the “**Sale Shares**”), by the Purchaser from the Vendor (the “**Proposed Acquisition**”). Pursuant to the Agreement, the Company conditionally agreed to purchase and the Vendor has conditionally agreed to sell, the Sale Shares, at the consideration of CHF4.32 million (equivalent to approximately HK\$39.67 million), which shall be satisfied by the issue and allotment of 93,786,894 new Shares to be allotted and issued on the completion date to the Vendor at the issue price of HK\$0.423 per Share as consideration (the “**Consideration Share**”).

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Acquisition are more than 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As at 30 September 2024, the Proposed Acquisition has not been completed and no Consideration Share has been allotted and issued. A circular containing, among other things, (i) further details of the Proposed Acquisition; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as possible in the compliance of the Listing Rules. For details of the Proposed Acquisition, please refer to the Company’s announcement dated 24 September 2024.

Save as disclosed above, the Group has no significant investment and acquisition that are required to disclose under Chapter 14 of the Listing Rules during the period.

The Group has not entered into any agreement, arrangement, understanding, negotiation and has no current intention to downsize, cease, sell and/or dispose of its fur business, although it will periodically review the performance and prospects of the fur business and the appropriate deployment/allocation of resources available to the Group to the fur business.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow, bank borrowings and equity/debt financing. The Group maintained bank balances and cash in mainly Hong Kong Dollars, Renminbi, United States Dollars and Danish Krone (“**DKK**”) of approximately HK\$159.0 million as at 30 September 2024 (31 March 2024: approximately HK\$118.6 million). The net assets of the Group as at 30 September 2024 were approximately HK\$556.4 million (31 March 2024: approximately HK\$405.0 million).

As at 30 September 2024, the outstanding principal of the short and medium-term bonds was approximately HK\$108.7 million (31 March 2024: approximately HK\$112.8 million), which were denominated in Hong Kong Dollar and US Dollar at fixed rates ranging from 6% to 7.5%. As at 30 September 2024, all of the fund has been utilized for business development and supporting business operation.

As at 30 September 2024, the gearing ratio of the Group was 13.0% (31 March 2024: 17.4%). Gearing ratio is calculated based on total borrowings divided by total assets at the end of the relevant period, which total borrowings included bank and other borrowings and corporate bonds.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of the subsidiaries maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the period under review, all the licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules (“**FRR**”).

CAPITAL COMMITMENT AND CONTINGENT LIABILITY

The Group had no material capital commitment and contingent liability as at 30 September 2024.

The HCMP Case

On 19 January 2024, the Company obtained a copy of the originating summons filed with the Court of First Instance of the High Court of the Hong Kong Administrative Region (the “**High Court**”) (the “**HCMP Case**”) from Kingkey Holdings (International) Limited, a then substantial shareholder of the Company, against the Company, the other Directors except for Mr. Chen Jiajun, and the subscriber under the intended share subscription announced by the Company on 15 January 2024 (the “**Share Subscription**”). The HCMP Case was in relation to the Share Subscription which subsequently lapsed on 5 February 2024. After negotiation among the parties under the HCMP Case between 11 March 2024 to 3 April 2024, a Court order was granted by the High Court for the discontinuance of the proceedings under the HCMP Case on 5 April 2024.

For further details of the HCMP Case, please refer to the announcements of the Company dated 19 January 2024, 25 January 2024, 26 January 2024 and 8 April 2024.

The Hong Kong Winding-up Petition

On 2 March 2024, the Company was served with a winding-up petition (“**HK Petition**”) filed with the High Court against the Company in respect of the outstanding sum of HK\$1,030,000, being the principal amount of the bond issued by the Company to the creditor together with interest accrued thereon. After the Company’s negotiation with the petitioner under the HK Petition, a settlement was reached. On 9 May 2024, the HK Petition was withdrawn pursuant to an order granted by the High Court.

For further details of the HK Petition, please refer to the announcements of the Company dated 15 February 2024, 4 March 2024 and 9 May 2024.

The Cayman Winding-up Petition and Appointment of The Joint Provisional Liquidators

On 23 February 2024 (Cayman time), a winding-up petition for restructuring purposes (“**Cayman Petition**”) was presented with the Grand Court of the Cayman Islands (“**Cayman Court**”) with the intention to seek an appointment of the joint provisional liquidators (“**JPLs**”) over the Company to provide impartial guidance and supervision over the management of the Group’s financial affairs and debt restructuring. On 6 March 2024 (Cayman time), an order was given by the Cayman Court for the appointment of the JPLs to monitor, oversee and supervise the Directors in carrying on the Group’s business.

After working closely with the JPLs for over three months, the Company has (i) completed restructuring to improve the financial position of the Group; and (ii) resolved its major issues including internal conflict among the Directors, complaints received by the Company and the litigation proceedings against the Company. On 21 May 2024 (Cayman time), with the support of the JPLs, an application to discharge the JPLs’ appointment and withdraw the Petition (the “**Application**”) was filed with the Cayman Court by the Cayman Legal Adviser. On 6 June 2024 (Cayman time), the Cayman Court granted an order (the “**Final Order**”) to approve the Application. Pursuant to the Final Order, (i) the JPLs have been discharged from their appointment over the Company; (ii) the Petition has been withdrawn; and (iii) the Company is no longer under provisional liquidation.

For further details of the Cayman Petition, please refer to the announcements of the Company dated 25 February 2024, 1 March 2024, 7 March 2024 and 10 June 2024.

CHARGE OF ASSETS

As at 30 September 2024, the Group has neither pledged bank facility nor bank borrowings obtained.

As at 31 March 2024, the Group charged other plant and equipment before impairment and inventories of approximately DKK19,310,000 (approximately HK\$21,865,000) (31 March 2024: DKK19,310,000, approximately HK\$21,865,000) for bank borrowings.

RISK MANAGEMENT

Credit risk

Credit risk exposure represents trade receivables from customers, amounts due from clients, brokers and clearing houses and loan receivables from clients, which principally arise from our business activities. The Group has a credit policy in place and the credit risk is monitored on an on-going basis.

In respect of trade receivables from customers, management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that appropriate and speedy follow up actions are taken in respect of overdue balances.

In respect of amounts due from clients, individual credit evaluations are performed on all clients (including cash and margin clients). Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within two trading days after the trade date. The Group normally obtains liquid securities and/or cash deposits as collateral for providing financing to its cash and margin clients. Margin loans due from margin clients are repayable on demand. Market conditions and adequacy of securities collateral and margin deposits of each cash account and margin account are monitored by the management on a daily basis. Margin calls and forced liquidation are made where necessary.

In respect of amounts receivable from brokers and clearing houses, credit risks are considered low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

In respect of loan receivables from clients, the Group has no concentration of credit risk on aggregate amount of loans, with exposure spread over a number of clients. The Group continued to adopt stringent credit policies to mitigate the credit risk arising from the money lending business. The credit policies specify the credit approval, review and other monitoring procedures to ensure that follow-up action is taken for the recoverable amount.

The Group has no significant concentration of credit risk as credits are granted to a large population of clients.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long term. Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with FRR.

Interest rate risk

The Group charges interest on its margin clients and cash clients with outstanding loan amounts on the basis of Hong Kong prime rate plus a mark-up. Financial assets (such as margin loans and deposits with banks) and financial liabilities (such as bank loans) are primarily related to the fluctuation of Hong Kong prime rate and prevailing floating rates. The Group's income and operating cash flows are not subject to significant interest rate risk.

Foreign currency risk

The Group carries out its business in Hong Kong and worldwide and most of the transactions are denominated in Hong Kong Dollar and Renminbi. The foreign currency risk exposures arise from sales and purchases transactions of the Group are considered insignificant exposed to the foreign currency risk.

As at 30 September 2024, the Group has certain investments in foreign operations in Denmark, whose net assets are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered to be manageable.

INCREASE OF AUTHORISED SHARE CAPITAL AND SHARE CONSOLIDATION

On 22 August 2024, the shareholders at the annual general meeting approved of the increase of authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each (“**Share(s)**”) to HK\$1,000,000,000 divided into 100,000,000,000 Shares by creation of an additional of 90,000,000,000 new Shares (the “**Increase of Authorised Share Capital**”). The Increase of Authorised Share Capital became effective on 22 August 2024. For details, please refer to the Company's circular dated 31 July 2024 and the poll results of annual general meeting announcement dated 22 August 2024.

On 29 August 2024, the shareholders at the extraordinary general meeting approved of the consolidation of every ten (10) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company into one (1) share of par value of HK\$0.10 (the “**Share Consolidation**”). The Share Consolidation became effective on 2 September 2024. For details, please refer to the Company's circular dated 9 August 2024 and the poll results of extraordinary general meeting announcement dated 29 August 2024.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

April Placing

On 27 March 2024, the Company conducted a placing of 1,525,992,613 new ordinary shares of HK\$0.01 each (the “**April Placing Share**”) at a price of HK\$0.060 each to raise gross proceeds of approximately HK\$91.6 million (the “**April Placing**”). The April Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 7 September 2023. The closing price per share of the Company on the Stock Exchange on 6 April 2023 was HK\$0.0700. The net price per April Placing Share was approximately HK\$0.059. Completion of the April Placing took place on 26 April 2024. As at the date of this announcement, the net proceeds from the April Placing after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$89.6 million were fully utilised for repayment of liabilities as intended. Further details of the Placing, were set out in the announcements of the Company dated 27 March 2024, 23 April 2024 and 26 April 2024.

September Placing

On 3 September 2024, the Company conducted a placing of 183,119,113 new ordinary shares at nominal value of HK\$0.10 each (the “September Placing Share”) at a price of HK\$0.41 each to raise gross proceeds of approximately HK\$75.08 million (the “September Placing”). The September Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 22 August 2024 (after adjustment for the effect of the share consolidation of the issued and unissued old Shares in the share capital of the Company on the basis of ten (10) old Shares with par value of HK\$0.01 each into one (1) existing Share with par value of HK\$0.10 each, which became effective on 2 September 2024). The closing price per share of the Company on the Stock Exchange on 3 September 2024 was HK\$0.41. The net price per September Placing Share was approximately HK\$0.41. Completion of the September Placing took place on 23 September 2024. As at the date of this announcement, the net proceeds from the September Placing after deducting the placing commission and other relevant costs and expenses) amounted to approximately HK\$74.12 million have been utilised as follows: (i) approximately HK\$14.82 million has been used for provision of financing for AI projects as planned; and (ii) approximately HK\$44.48 million has been used for the Group’s business operations. The remaining unutilised proceeds will be utilised as intended by no later than 31 March 2025. Further details of the Placing, were set out in the announcements of the Company dated 3 September 2024 and 23 September 2024.

Use of Proceeds from the Placing during six months ended 30 September 2024

	Net proceeds utilised during the six months ended	Net proceeds utilised during the six months ended	Unutilised net proceeds as at	Expected timeline on utilisation of unutilised net proceeds
Use of net proceeds	Net proceeds HK\$’000	30 September 2024 HK\$’000	30 September 2024 HK\$’000	
April Placing				
Repayment of liabilities	89,600	(89,600)	–	N/A
Total	<u>89,600</u>	<u>(89,600)</u>	<u>–</u>	
September Placing				
Investment in and provision of financing for green energy project	14,820	–	14,820	31 March 2025
Provision of financing for AI projects	14,820	(14,820)	–	N/A
Working capital	44,480	(44,480)	–	N/A
Total	<u>74,120</u>	<u>(59,300)</u>	<u>14,820</u>	

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the Company's announcements dated (i) 17 June 2024; (ii) 28 June 2024; (iii) 12 July 2024; and (iv) 29 July 2024, all in relation to, among other things, the proposed placing under specific mandate (the "**Proposed June Placing**") (collectively, the "**Proposed June Placing Announcements**").

Pursuant to the placing agreement (as amended and supplemented by the first supplemental agreement dated 28 June 2024 and the second supplemental agreement dated 12 July 2024) (the "**Placing Agreement**") entered between Orient Securities Limited (the "**Placing Agent**") and the Company, the Company intended to conduct a placing of up to 2,500,000,000 new ordinary shares at a price of HK\$0.09 each to raise gross proceeds of approximately HK\$225.0 million. On 29 July 2024, due to market conditions, it was announced that the Company and the Placing Agent entered into a termination agreement (the "**Termination Agreement**") to terminate the Placing Agreement. Pursuant to the Termination Agreement, all rights, obligations and liabilities of the parties hereto shall cease and determine and neither party shall have any claim against the other in respect of the Placing save in respect of any antecedent breach of any obligation under the Placing Agreement. For details, please refer to the Proposed June Placing Announcements.

EVENT AFTER REPORTING PERIOD

Save as to the event stated hereafter, there is no material subsequent event undertaken by the Company or by the Group after 30 September 2024 and up to the date of this report.

Reference is made to the Company's announcements dated (i) 18 October 2024; (ii) 4 November 2024; and (iii) 18 November 2024, all in relation to, among other things, the proposed Rights Issue (as defined hereinunder) (collectively, the "**Rights Issue Announcements**").

On 18 October 2024, the Company proposed to raise gross proceeds of approximately HK\$542.59 million before expenses by way of Rights Issue of up to 596,250,787 Company's new shares (the "**Rights Share(s)**") at the subscription price of HK\$0.91 per Rights Share based on one (1) Rights Share for every two (2) existing Company's shares held at the close of business on the record date (i.e. 22 November 2024) (the "**Rights Issue**"). On 4 November 2024, the Company announced to revise the subscription price of HK\$0.91 per Rights Share to HK\$0.76 per Rights Share. On 18 November 2024, the Company announced to revise the timetable for the Rights Issue. As of the date of this report, the Rights Issue has not yet been completed. For details, please refer to the Rights Issue Announcements.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good governance practices and procedures. During the period under review, the Company has complied with the provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules, except for the deviation of the following:

Mr. Ngai Tsz Hin Michael (“**Mr. Ngai**”), an external service provider, was appointed as company secretary of the Company (the “**Company Secretary**”) with effect from 22 January 2024. The Company has assigned Mr. Mong Cheuk Wai, the executive director, as the contact person with Mr. Ngai. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Ngai through the contact person assigned. Hence, all directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision C.6.4 of the Code. Having in place a mechanism that Mr. Ngai will get hold of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Ngai as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations. For the six months ended 30 September 2024, Mr. Ngai has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 September 2024.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 September 2024, the Group had 50 full-time employees (31 March 2024: 100). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employee benefits include contribution to provident fund, insurance and medical cover as well as discretionary options based on their contributions to the Group.

AUDIT COMMITTEE

The audit committee has four members comprising all three independent non-executive Directors, namely, Ms. Mak Yun Chu (Chairperson), Mr. Chan Ting Fung and Mr. Hung Wai Che, with terms of reference in compliance with the Listing Rules. The audit committee reviews the Group's financial reporting, internal controls and makes relevant recommendations to the Board.

The audit committee has reviewed the Company's unaudited condensed consolidated financial statements report for the six months ended 30 September 2024.

By Order of the Board
Kingkey Financial International (Holdings) Limited
Mong Cheuk Wai
Executive Director

Hong Kong, 27 November 2024

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Mong Cheuk Wai

Ms. Cheung Pui Ki Gloria

Mr. Leung Siu Kee

Independent Non-executive Directors:

Ms. Mak Yun Chu

Mr. Hung Wai Che

Mr. Chan Ting Fung