



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

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

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

*This report, for which the directors (the “**Directors**”) of ISP Global Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 31 DECEMBER 2023

## UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended 31 December 2023, together with the unaudited comparative figures for the corresponding periods in 2022, are as follows:

	Notes	Three months ended 31 December		Six months ended 31 December	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>56,455</b>	56,713	<b>115,360</b>	96,547
Costs of sales/services		<b>(34,021)</b>	(37,607)	<b>(69,175)</b>	(67,592)
<b>Gross profit</b>		<b>22,434</b>	19,106	<b>46,185</b>	28,955
Other income	4	<b>20</b>	289	<b>56</b>	883
Other (losses) gains, net	4	<b>(17)</b>	(2,992)	<b>30</b>	(2,510)
Reversal of provision/(provision) for allowance for expected credit loss on trade receivables		<b>60</b>	35	<b>(1,354)</b>	(400)
Share-based payment expenses		<b>(1,680)</b>	(848)	<b>(3,331)</b>	(1,649)
Selling and administrative expenses		<b>(14,486)</b>	(10,472)	<b>(27,654)</b>	(17,971)
Selling and administrative staff costs		<b>(9,231)</b>	(8,123)	<b>(18,819)</b>	(15,139)
Finance costs	5	<b>(869)</b>	(670)	<b>(1,543)</b>	(1,128)
<b>Loss before taxation</b>	6	<b>(3,769)</b>	(3,675)	<b>(6,430)</b>	(8,959)
Income tax expense	7	<b>(234)</b>	(793)	<b>(561)</b>	(897)
<b>Loss for the period</b>		<b>(4,003)</b>	(4,468)	<b>(6,991)</b>	(9,856)
<b>Other comprehensive (loss) income, after tax</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		<b>(213)</b>	5,153	<b>193</b>	6,559
<b>Total comprehensive loss for the period, net of tax</b>		<b>(4,216)</b>	685	<b>(6,798)</b>	(3,297)
<b>Loss for the period attributable to:</b>					
– Owners of the Company		<b>(3,207)</b>	(5,101)	<b>(4,998)</b>	(10,906)
– Non-controlling interest		<b>(796)</b>	633	<b>(1,993)</b>	1,050
		<b>(4,003)</b>	(4,468)	<b>(6,991)</b>	(9,856)

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 31 DECEMBER 2023

	Three months		Six months	
	ended 31 December		ended 31 December	
	2023	2022	2023	2022
Notes	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Total comprehensive (loss) income for the period attributable to:</b>				
- Owners of the Company	(3,386)	50	(4,756)	(4,382)
- Non-controlling interest	(830)	635	(2,042)	1,085
	(4,216)	685	(6,798)	(3,297)
<b>Losses per share attributable to the owners of the Company</b>				
Basic and diluted (Expressed in RMB cents per share)	8	(0.58)	(0.53)	(1.24)

Details of dividends of the Company are set out in note 9.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<i>Notes</i>	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	29,038	30,889
Goodwill	11	901	901
Deposits	13	51	51
		<b>29,990</b>	<b>31,841</b>
<b>Current assets</b>			
Inventories	12	70,513	89,697
Trade receivables	13	24,682	16,287
Other receivables, deposits and prepayments	13	24,132	22,086
Contract assets	14	840	3,149
Bank balances and cash	15	47,283	46,097
		<b>167,450</b>	<b>177,316</b>
<b>Current liabilities</b>			
Trade and other payables	16	36,386	28,742
Contract liabilities	14	9,194	13,618
Lease liabilities	17	2,819	2,993
Borrowings	18	22,914	59,378
Income tax payable		1,057	929
		<b>72,370</b>	<b>105,660</b>
<b>Net current assets</b>		<b>95,080</b>	<b>71,656</b>
<b>Total assets less current liabilities</b>		<b>125,070</b>	<b>103,497</b>
<b>Non-current liabilities</b>			
Lease liabilities	17	3,375	4,677
Borrowings	18	20,985	21,309
Deferred tax liabilities	19	35	41
		<b>24,395</b>	<b>26,027</b>
<b>Net assets</b>		<b>100,675</b>	<b>77,470</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
	<i>Notes</i>		
<b>EQUITY</b>			
Share capital	20	8,999	7,665
Reserves		95,984	72,071
<hr/>			
Equity attributable to the owners of the Company		104,983	79,736
Non-controlling interest		(4,308)	(2,266)
<hr/>			
<b>Total equity</b>		<b>100,675</b>	<b>77,470</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Attributable to the owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Shares held under share award scheme RMB'000	Merger reserve RMB'000 <i>(Note i)</i>	Translation reserve RMB'000	Share option and share award reserves RMB'000	Retained profits/ (accumulated losses) RMB'000	Sub-total RMB'000	Non-controlling interest RMB'000	Total RMB'000
Balance at 1 July 2023 (Audited)	7,665	86,282	(210)	2,572	5,536	7,870	(29,979)	79,736	(2,266)	77,470
Total comprehensive loss for the period:										
Loss for the period	-	-	-	-	-	-	(4,998)	(4,998)	(1,993)	(6,991)
Other comprehensive income for the period	-	-	-	-	242	-	-	242	(49)	193
Transactions with owners, recognised directly in equity										
Issuance of new shares from placing of share <i>(Note 20)</i>	1,334	25,338	-	-	-	-	-	26,672	-	26,672
Recognition of equity-settled share-based payments in relation to share options	-	-	-	-	-	523	-	523	-	523
Recognition of equity-settled share-based payments in relation to share award	-	-	-	-	-	2,808	-	2,808	-	2,808
Lapse of share options	-	-	-	-	-	(160)	160	-	-	-
Balance at 31 December 2023 (Unaudited)	8,999	111,620	(210)	2,572	5,778	11,041	(34,817)	104,983	(4,308)	100,675



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Attributable to the owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000 <i>(Note j)</i>	Translation reserve RMB'000	Share option and share award reserves RMB'000	Retained profits/(accumulated losses) RMB'000	Sub-total RMB'000	Non-controlling interest RMB'000	Total RMB'000
Balance at 1 July 2022 (Audited) (Restated)	7,455	86,282	2,572	(1,170)	4,337	(3,679)	95,797	(725)	95,072
Total comprehensive loss for the period:									
Loss for the period	-	-	-	-	-	(10,906)	(10,906)	1,050	(9,856)
Other comprehensive income for the period	-	-	-	6,525	-	-	6,525	34	6,559
Transactions with owners, recognised directly in equity									
Recognition of equity-settled share-based payments in relation to share options	-	-	-	-	1,649	-	1,649	-	1,649
Lapse of share options	-	-	-	-	(250)	250	-	-	-
Balance at 31 December 2022 (Unaudited)	7,455	86,282	2,572	5,355	5,736	(14,335)	93,065	359	93,424

## Note:

- (i) Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the corporate reorganisation undertaken in the preparation for the listing of the Company's share (the "Shares") on GEM of the Stock Exchange.

# UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 ("RELEVANT PERIOD")

	Six months ended 31 December	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Loss before taxation	(6,430)	(8,959)
Adjustments for:		
Depreciation of property, plant and equipment	1,936	2,478
Loss on disposal of property, plant and equipment	–	2
Unrealised foreign exchange (gain) loss	(33)	2,508
Employee share option vesting	3,331	1,649
Impairment losses, net of reversals, on financial assets and other items subject to expected credit losses	1,354	400
Reversal of inventory obsolescence	(26)	–
Interest income	(4)	(13)
Finance costs	1,543	1,128
Operating cash flows before movements in working capital	1,671	(807)
Movements in working capital:		
(Increase) decrease in trade receivables	(9,749)	456
Increase in other receivables, deposits and prepayments	(2,045)	(37,698)
Decrease (increase) in contract assets	2,309	(131)
Decrease (increase) in inventories	19,211	(28,447)
(Decrease) increase in contract liabilities	(4,424)	2,419
Increase in trade and other payables	7,609	61,455
Cash generated from (used in) operations	14,582	(2,753)
Interest received	4	13
Income tax paid	(438)	(1,299)
Net cash generated from (used in) operating activities	14,148	(4,039)

# UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (“RELEVANT PERIOD”)

	Six months ended 31 December	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(67)	(565)
Net cash used in investing activity	(67)	(565)
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of shares upon placing	26,672	–
Uplift of pledged bank deposit	–	997
Proceeds from borrowings	–	14,062
Repayment of leases liabilities – principal	(1,476)	(2,455)
Repayment of leases liabilities – interest	(189)	(231)
Repayment to a third party	–	(4,115)
Advance from a director of the Company	2,536	611
Repayment to a director of the Company	(2,525)	(639)
Repayment of borrowings	(36,788)	(425)
Interest paid on bank and other borrowings	(1,354)	(898)
Net cash (used in) generated from financing activities	(13,124)	6,907
Net increase in cash and cash equivalents	957	2,303
Cash and cash equivalents at beginning of the period	46,097	40,710
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	229	1,333
<b>Cash and cash equivalents at end of the period represented by bank balances and cash</b>	<b>47,283</b>	<b>44,346</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

ISP Global Limited (the “**Company**”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 July 2017 and its registered office is Winward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) on 8 September 2017. The head office and principal place of business of the Company in Hong Kong is Suite 4302, 43/F., Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong. The principal place of business in Singapore is at No. 3 Ang Mo Kio Street 62, #01-39, LINK@AMK, Singapore 569139. The shares of the Company (the “**Shares**”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 16 January 2018.

The Company is an investment holding company and the principal activities of its operating subsidiaries are sale of networking, sound and communication systems, provision of integrated services of networking, sound and communication systems in Singapore and the People’s Republic of China (“**PRC**”) and e-commerce operation in PRC.

Prior to 1 July 2022, Singapore dollars (“**S\$**”) was regarded as the presentation currencies of the Group. The directors of the Company announced that the presentation currency used in the consolidated financial statements of the Group for the year ended 30 June 2023 was changed to Renminbi (“**RMB**”) from S\$ with effect from 1 July 2022.

The unaudited condensed consolidated financial statements are presented in RMB.

The unaudited condensed consolidated financial statements are approved by the board of Directors (the “**Board**”) on 6 February 2024.

## 2. BASIS OF PREPARATION AND APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

For the purpose of preparing and presenting the unaudited condensed consolidated financial statement for the reporting period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 July 2023 throughout the reporting period. At the date of issuance of this report, the Group has not applied the following new IFRSs, amendments to IFRSs, amendments to International Accounting Standards (“**IASs**”), and the new interpretations that have been issued but are not yet effective:

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

### New and amendments to IFRSs in issue but not yet effective

The Group has not opted for early application of the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Interpretation 5 (2021)	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management anticipates that the adoption of the above new and amendments to IFRSs in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the consideration to which the Group expects to be entitled to from (1) sale of networking, sound and communication systems; (2) provision of integrated services of networking, sound and communication systems, includes installation and customisation of networking, sound and communication systems and technical support services; and (3) e-commerce operation. The Group's operations are mainly derived from Singapore and the PRC during the six months ended 31 December 2023 and 2022.

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of revenue, i.e. (1) sale of networking, sound and communication systems and related services; (2) sale of consumer products; (3) technical support services in relation to networking systems; and (4) provision of integrated services of sound and communication systems, includes installation and customisation of sound and communication systems in buildings. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has two operating segments:

- a) E-commerce operation mainly includes sales of consumer products on e-commerce platforms; and
- b) Sale and provision of integrated services of networking, sound and communication systems, which includes points (1), (3) and (4) as mentioned above.

Segment (loss)/profit represents the (loss incurred)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, other income, other losses, share-based payment expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results for the Relevant Period:

	Three months ended 31 December 2023			Six months ended 31 December 2023		
	Sale and provision of integrated services of networking, sound and communication systems	E-commerce operation	Total	Sale and provision of integrated services of networking, sound and communication systems	E-commerce operation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross segment revenue	15,958	40,497	56,455	41,038	74,322	115,360
Inter-segment revenue	-	-	-	-	-	-
<b>Revenue</b>	<b>15,958</b>	<b>40,497</b>	<b>56,455</b>	<b>41,038</b>	<b>74,322</b>	<b>115,360</b>
Timing of revenue recognition						
At a point in time	12,435	40,497	52,932	36,979	74,322	111,301
Over time	3,523	-	3,523	4,059	-	4,059
	15,958	40,497	56,455	41,038	74,322	115,360
<b>Segment results</b>	<b>7,792</b>	<b>(6,017)</b>	<b>1,775</b>	<b>12,627</b>	<b>(9,554)</b>	<b>3,073</b>
Other income			20			56
Other (losses)/gain, net			(17)			30
Share-based payment expenses			(1,680)			(3,331)
Unallocated expenses			(2,998)			(4,715)
Finance costs			(869)			(1,543)
Income tax expense			(234)			(561)
<b>Loss for the period</b>			<b>(4,003)</b>			<b>(6,991)</b>
<b>Segment results include:</b>						
(Provision for) reversal of provision of allowance for expected credit loss of trade receivables	(52)	112	60	(1,160)	(194)	(1,354)
Depreciation	(245)	(919)	(1,164)	(493)	(1,443)	(1,936)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results for the six months ended 31 December 2022:

	Three months ended 31 December 2022			Six months ended 31 December 2022		
	Sale and provision of integrated services of networking, sound and communication systems RMB'000	E-commerce operation RMB'000	Total RMB'000	Sale and provision of integrated services of networking, sound and communication systems RMB'000	E-commerce operation RMB'000	Total RMB'000
Gross segment revenue	20,456	36,257	56,713	33,108	63,439	96,547
Inter-segment revenue	-	-	-	-	-	-
<b>Revenue</b>	<b>20,456</b>	<b>36,257</b>	<b>56,713</b>	<b>33,108</b>	<b>63,439</b>	<b>96,547</b>
Timing of revenue recognition						
At a point in time	8,844	36,258	45,102	15,346	63,440	78,786
Over time	11,611	-	11,611	17,761	-	17,761
	20,455	36,258	56,713	33,107	63,440	96,547
<b>Segment results</b>	<b>3,862</b>	<b>1,424</b>	<b>5,286</b>	<b>2,431</b>	<b>(568)</b>	<b>1,863</b>
Other income			289			883
Other losses, net			(2,992)			(2,510)
Unallocated depreciation			(358)			(702)
Share-based payment expenses			(848)			(1,649)
Unallocated expenses			(4,382)			(5,716)
Finance costs			(670)			(1,128)
Income tax expense			(793)			(897)
<b>Loss for the period</b>			<b>(4,468)</b>			<b>(9,856)</b>
<b>Segment results include:</b>						
(Provision for) reversal of provision of allowance for expected credit loss of trade receivables	39	(4)	35	(396)	(4)	(400)
Depreciation	(172)	(715)	(887)	(336)	(1,440)	(1,776)



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's revenue is as follows:

	Three months ended 31 December		Six months ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<i>At a point in time:</i>				
Sale of networking, sound and communication systems	12,435	8,844	36,979	15,346
E-commerce	40,497	36,258	74,322	63,440
<i>Over time:</i>				
Integrated networking, sound and Communication Systems	3,523	11,611	4,059	17,761
	56,455	56,713	115,360	96,547

### Information about the Major Customers

During the Relevant Period and for the six months ended 31 December 2022, external customers contributing over 10% of total revenue of the Group are as follows:

	Six months ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Customer I <sup>^</sup>	37,628	46,034

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
<b>Segment assets</b>		
Sale and provision of integrated services of networking, sound and communication systems	92,193	96,240
E-commerce operation	104,694	110,960
<b>Total segment assets</b>	<b>196,887</b>	207,200
Unallocated corporate assets		
– Property, plant and equipment	10	–
– Deposits and other receivables	266	696
– Bank balance and cash	277	1,261
<b>Total assets</b>	<b>197,440</b>	209,157
<b>Segment liabilities</b>		
Sale and provision of integrated services of networking, sound and communication systems in Singapore	(18,459)	(33,602)
E-commerce operation	(76,896)	(96,939)
<b>Total segment liabilities</b>	<b>(95,355)</b>	(130,541)
Unallocated corporate liabilities		
– Other payables	(954)	(1,146)
– Lease liabilities	(456)	–
<b>Total liabilities</b>	<b>(96,765)</b>	(131,687)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Geographical information

Information by geographical location on the Group's revenue from customers and non-current assets, comprising property, plant and equipment, goodwill and non-current deposits, are detailed below:

#### a) Revenue from external customers

	Three months		Six months	
	ended 31 December	2022	ended 31 December	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Singapore	10,443	12,047	21,148	19,174
China	45,386	44,492	93,530	77,102
Others	626	174	682	271
	56,455	56,713	115,360	96,547

#### b) Non-current assets

	As at	As at
	31 December	30 June
	2023	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Singapore	22,928	23,270
China	6,849	8,328
Others	213	243
	29,990	31,841

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	Three months ended 31 December		Six months ended 31 December	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government grants	8	–	20	33
Interest income	2	3	4	13
Others	10	286	32	837
	<b>20</b>	<b>289</b>	<b>56</b>	<b>883</b>
Net foreign exchange (loss)/gain	(17)	(2,988)	33	(2,508)
Loss on disposal of plant, property, and equipment	–	(2)	–	(2)
Others	–	(2)	(3)	–
	<b>(17)</b>	<b>(2,992)</b>	<b>30</b>	<b>(2,510)</b>

## 5. FINANCE COSTS

	Three months ended 31 December		Six months ended 31 December	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Interest on:</i>				
Bank and other borrowings	752	593	1,354	898
Lease liabilities	117	108	189	230
Other payables	–	(31)	–	–
	<b>869</b>	<b>670</b>	<b>1,543</b>	<b>1,128</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6. LOSS BEFORE TAXATION

Loss before income tax is arrived at after charging:

	Three months ended 31 December		Six months ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Expense relating to short-term leases	113	121	198	200
Depreciation of property, plant and equipment	1,164	1,245	1,936	2,478
Directors' remuneration	2,551	2,245	5,088	4,359
– Share-based payment expenses for directors	514	225	1,019	438
Other staff costs				
– Salaries, wages and other benefit	7,428	8,217	14,647	14,802
– Share-based payment expenses for staff	1,137	611	2,254	1,187
– Defined contribution plans, including retirement benefits	1,687	261	4,061	1,444
– Foreign worker levy and skill development levy	281	256	555	499
Total staff costs (inclusive of Directors' remuneration) (Note a)	13,598	11,815	27,624	22,729
Cost of materials recognised as costs of sales/services	30,977	34,575	63,073	61,382
Subcontractor costs recognised as costs of sales/services	328	176	569	245
Share-based payment expenses for external consultant	29	13	58	25

Note:

- a. For the Relevant Period, staff costs of approximately RMB5,533,000 (period ended 31 December 2022: approximately RMB5,965,000) is included in costs of sales/services.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. INCOME TAX EXPENSE

For the Relevant Period, Singapore corporate income tax has been provided at the rate of 17% (six months ended 31 December 2022: 17%) and the PRC enterprise income tax has been provided at the rate of 25% (six months ended 31 December 2022: 25%). A breakdown of the income tax expenses is as follows:

	Three months ended 31 December		Six months ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax expense				
– Singapore corporate income tax	237	765	567	832
– PRC corporate income tax	–	19	–	62
Deferred tax	(3)	9	(6)	3
	<b>234</b>	<b>793</b>	<b>561</b>	<b>897</b>

## 8. LOSSES PER SHARE

	Three months ended 31 December		Six months ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Loss for the period attributable to owners of the Company	(3,207)	(5,101)	(4,998)	(10,906)
Weighted average number of ordinary shares (Note (a))	880,000,000	880,000,000	928,059,435	888,000,000
Basic and diluted losses per share (RMB cents per share)	<b>(0.33)</b>	<b>(0.58)</b>	<b>(0.53)</b>	<b>(1.24)</b>

Note:

- (a) The calculation of basic losses per share is based on the losses for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue.

The computation of diluted loss per share for the period ended 31 December 2023 did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share (31 December 2022: Same). The computation of diluted loss per share during the period ended 31 December 2023 also did not assume the exercise of the share award because the issuance of shares in relation to the share award scheme has antilutive effect to the basic loss per share. The resulting number of shares issued and held by the trustee during the year is not included in the weighted average number of ordinary shares as the denominator for calculating basic loss per share for the period ended 31 December 2023. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share during the periods ended 31 December 2023 and 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 9. DIVIDENDS

No dividends have been proposed or paid by the Company or any of its subsidiaries during the Relevant Period (six months ended 31 December 2022: nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the Relevant Period, the Group acquired equipment amounting to approximately RMB67,000 (six months ended 31 December 2022: RMB565,000).

	Computers RMB'000	Office equipment RMB'000	Furniture, fixtures and fittings RMB'000	Motor vehicles RMB'000	Leasehold land and property RMB'000	Right- of-use assets RMB'000	Total RMB'000
<b>Cost:</b>							
At 1 July 2022	625	286	812	840	23,779	13,756	40,098
Disposal	(12)	-	-	-	-	(3,423)	(3,435)
Written off	-	-	-	-	-	(9,610)	(9,610)
Additions	125	24	99	487	-	8,058	8,793
Exchange realignment	46	29	39	102	2,703	229	3,148
<b>At 30 June 2023 and 1 July 2023</b>	<b>784</b>	<b>339</b>	<b>950</b>	<b>1,429</b>	<b>26,482</b>	<b>9,010</b>	<b>38,994</b>
Additions	11	2	54	-	-	-	67
Written off	(70)	-	-	-	-	-	(70)
Exchange differences	2	2	3	2	77	(15)	71
<b>At 31 December 2023</b>	<b>727</b>	<b>343</b>	<b>1,007</b>	<b>1,431</b>	<b>26,559</b>	<b>8,995</b>	<b>39,062</b>
<b>Accumulated depreciation:</b>							
At 1 July 2022	556	282	811	616	3,217	4,175	9,657
Depreciation for the year	116	9	5	169	447	3,996	4,742
Disposal	(8)	-	-	-	-	(3,423)	(3,431)
Written off	-	-	-	-	-	(3,699)	(3,699)
Exchange realignment	44	27	95	78	386	206	836
<b>At 30 June 2023 and 1 July 2023</b>	<b>708</b>	<b>318</b>	<b>911</b>	<b>863</b>	<b>4,050</b>	<b>1,255</b>	<b>8,105</b>
Written off	(70)	-	-	-	-	-	(70)
Depreciation for the year	56	2	16	89	234	1,539	1,936
Exchange differences	3	3	4	2	12	29	53
<b>At 31 December 2023</b>	<b>697</b>	<b>323</b>	<b>931</b>	<b>954</b>	<b>4,296</b>	<b>2,823</b>	<b>10,024</b>
<b>Carrying amount:</b>							
<b>At 31 December 2023</b>	<b>30</b>	<b>20</b>	<b>76</b>	<b>477</b>	<b>22,263</b>	<b>6,172</b>	<b>29,038</b>
<b>At 30 June 2023</b>	<b>76</b>	<b>21</b>	<b>39</b>	<b>566</b>	<b>22,432</b>	<b>7,755</b>	<b>30,889</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. GOODWILL

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
<b>Cost:</b>		
At the beginning of the period/year	901	899
Exchange realignment	-	2
	<b>901</b>	<b>901</b>

## 12. INVENTORIES

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Finished goods	70,513	89,697

During the Relevant Period, approximately RMB 26,000 of provision for stock obsolescence was written back (30 June 2023: RMB1,118,000 provision was recognized) in relation to writing provisions for slow-moving and obsolete inventories to net realizable value. This was recognized in cost of sales /services.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

As of the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Trade receivables, gross	26,522	16,773
Less: Allowance for ECL	(1,840)	(486)
Trade receivables, net	<b>24,682</b>	16,287
Deposits (a)	2,687	3,433
Prepayments	11,983	7,542
Other receivables	4,924	10,386
Advances to staff	4,589	776
	<b>24,183</b>	22,137
Less: amount classified as non-current – rental deposits on lease agreement expiring after one year (Note (a))	(51)	(51)
Current portion	<b>24,132</b>	22,086

*Note a:* As at 31 December 2023, the deposits balance mainly consist of deposits paid for lease agreements in the PRC and Hong Kong and deposits paid to online platform providers to become merchants of e-shop or e-channel (30 June 2023: same).

During the six months ended 31 December 2023, the Group granted credit terms to its customers in the segment of sale and provision of integrated services of networking, sound and communication systems typically between 30 to 180 days (30 June 2023: 30 to 180 days). For the e-commerce operation, no credit term (30 June 2023: Nil) is granted to individual customers and relevant trading or settlement platform for online sale, while the Group generally grants credit terms ranging from 15 to 180 days (30 June 2023: 15 to 180 days) to those corporate customers with good credit records. The Group does not charge interest nor hold any collateral over these balances.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The ECL on trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix which is derived from the aging based on past due days.

December 31, 2023 (Unaudited)	Group Trade receivables – days past due						
	Not yet past due	< 30 days	31 – 90 days	91 – 180 days	181 – 365 days	>365 days	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Effective ECL rate	1%	1%	1%	4%	15%	100%	-
Trade receivables, gross	5,556	6,158	3,189	9,302	1,119	1,198	26,522
Lifetime ECL	(41)	(31)	(31)	(372)	(167)	(1,198)	(1,840)
							24,682

  

June 30, 2023 (Audited)	Group Trade receivables – days past due						
	Not yet past due	< 30 days	31 – 90 days	91 – 180 days	181 – 365 days	>365 days	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Effective ECL rate	1%	0%	3%	4%	15%	100%	
Trade receivables, gross	10,865	2,237	2,005	1,234	218	214	16,773
Lifetime ECL	(129)	(3)	(54)	(52)	(34)	(214)	(486)
							16,287

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	<b>Lifetime ECL – credit-impaired</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as at 1 July 2023 and 2022	486	1,182
Provision for allowance for/(reversal of provision)		
ECL on trade receivables	1,354	(708)
Exchange realignment	–	12
Balance as at 31 December 2023 and 30 June 2023	<b>1,840</b>	<b>486</b>

## 14. CONTRACT ASSETS AND CONTRACT LIABILITIES

	<b>As at</b>	<b>As at</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Contract assets</b>		
Retention receivables	840	3,149
<b>Contract liabilities</b>		
Advance billing to customer	9,194	13,618

### Contract Assets

The contract assets include retention receivables which represent monies withheld by customers of contract works that will be released after the end of warranty period of the relevant contracts, and are classified as current as they are expected to be received within the Group's normal operating cycle. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

### Contract Liabilities

Contract liabilities are arising from sale and provision of integrated services of networking, sound and communication systems business. The Group typically receives a deposit from customers when they sign the contracts with the Group.

## 15. BANK BALANCES AND CASH

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Bank balances and cash <i>(Note)</i>	<b>47,283</b>	46,097

*Note:* Bank balances carry interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default. As at 31 December 2023, there was approximately RMB5,282,000 (30 June 2023: RMB3,413,000) denominated in RMB and deposited with banks in the PRC. RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16. TRADE AND OTHER PAYABLES

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Trade payables	29,719	19,644
Retention payables	–	–
Other taxes payable	625	1,849
Accrued operating expenses	1,646	3,210
Accrued payroll costs	3,488	2,187
Other payables	908	1,852
	<b>36,386</b>	<b>28,742</b>

### Notes:

The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (30 June 2023: 30 to 60 days) or payable upon delivery.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Within 30 days	14,192	5,294
31 days to 90 days	12,667	7,536
91 days to 180 days	59	5,120
Over 180 days	2,801	1,694
	<b>29,719</b>	<b>19,644</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASE LIABILITIES

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
<b>Lease liabilities payable:</b>		
– Within one year	3,029	3,332
– Within a period of more than one year but not exceeding two years	2,082	2,405
– Within a period of more than two years but not exceeding five years	1,642	2,559
	<b>6,753</b>	8,296
Less: Future finance charges	(559)	(626)
	<b>6,194</b>	7,670
Less: Amounts due for settlement within twelve months from the end of the reporting period (shown under current liabilities)	(2,819)	(2,993)
	<b>3,375</b>	4,677
Amounts due for settlement after twelve months from the end of the reporting period (show under non-current liabilities)	3,375	4,677

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASE LIABILITIES (CONTINUED)

The followings are the amounts recognised in the unaudited condensed consolidated profit or loss:

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Depreciation expense of right-of-use assets <i>(Note 10)</i>	1,539	3,996
Interest expenses on lease liabilities <i>(Note 5)</i>	189	230
Expense relating to short-term leases	198	200
	<b>1,926</b>	<b>4,426</b>

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Within financing cash flow – fixed payments	1,665	2,686
Within operating cash flow – expenses relating to short-term lease	198	200
Total cash outflow for leases	<b>1,863</b>	<b>2,886</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. BORROWINGS

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Bank borrowings – Secured <i>(Note (a))</i>	20,784	23,184
Bank borrowings – Unsecured <i>(Note (b))</i>	7,600	7,600
Other borrowings <i>(Note (c))</i>	15,515	49,903
	<b>43,899</b>	80,687
Carrying amount repayable within 1 year	22,914	59,378
Carrying amount repayable over 1 year but within 2 years	6,409	6,604
Carrying amount repayable over 2 years but within 5 years	14,576	14,705
Carrying amount repayable over 5 years	–	–
	<b>43,899</b>	80,687
Less: Amount due within 1 year (shown under current liabilities)	<b>(22,914)</b>	(59,378)
Amount shown under non-current liabilities	<b>20,985</b>	21,309



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. BORROWINGS (CONTINUED)

### *Notes:*

As at 31 December 2023, the balances include:

- (a) Two secured bank borrowings with carrying amounts of RMB12,000,000 (30 June 2023: RMB12,000,000) in aggregate which was interest bearing at 3.85% (30 June 2023: 3.85%) per annum and repayable in May 2026 (30 June 2023: May 2026). These borrowings were guaranteed by Mr. Cao's spouse and a residential property of Mr. Cao (30 June 2023: Same). A secured term loan with carrying amount of approximately S\$818,000 (equivalent to approximately RMB4,399,000) (30 June 2023: S\$902,000 (equivalent to approximately RMB4,839,000)) which bear floating interest rates with weighted average effective interest rate at 2.88% (30 June 2023: 2.88%) per annum. The borrowing was secured by the Group's leasehold land and property with carrying amount of approximately RMB22,263,000 (30 June 2023: RMB22,432,000) (Note 10) and corporate guarantee provided by the Company (30 June 2023: Same). The term loan is for 15 years and is repayable by instalment and the final maturity date of the loan will be due on 11 June 2028. A secured bank borrowing with carrying amount of approximately RMB895,000 (30 June 2023: RMB855,000) with interest rate at 3.7% per annum and repayable in May 2024. The borrowing is guaranteed by a PRC financing guarantee company, an independent third party of the Company. A secured bank borrowing with carrying amount of RMB3,490,000 (30 June 2023: RMB3,490,000) which bear interest rate at 6.8% per annum and repayable in May 2025, and the borrowing was guaranteed by a PRC financing guarantee company, an independent third party of the Company. As at 30 June 2023, a secured bank borrowing with carrying amount of RMB2,000,000 with interest rate at 12.6% per annum and repayable. The borrowing is guaranteed by a director of a subsidiary of the Company.
- (b) As at 31 December 2023, balance represents three (30 June 2023: three) unsecured bank borrowings which bear interest at rates of 2.05%, 3.90% and 4.35% (30 June 2023: 2.05%, 3.90% and 4.35%) per annum and repayable in June 2024, June 2024 and June 2025, respectively.
- (c) The Group entered into a receivable transfer arrangement (the "Arrangement") with two financial institutions in the PRC to transfer existing or future trade receivables of a customer with full recourse to the financial institution for financing purpose. In the event of default by the customer, the Group is obliged to pay the financial institution the amount in default. The proceeds of the Arrangement were included in borrowings as asset-backed financing until the trade debts were collected or the Group settled any losses suffered by the financial institution. As at 31 December 2023, carrying amount of proceeds received under the Arrangement is amounting to approximately RMB2,315,000 (30 June 2023: RMB33,403,000) which bear interest at a range from 8.5% to 9.0% (30 June 2023: 8.5% to 9.0%) per annum. As at 31 December 2023, the amount of existing or future trade receivables pledged under the Arrangement is amounting to approximately RMB2,315,000 (30 June 2023: RMB33,403,000). Other borrowings also include one (30 June 2023: two) unsecured other borrowings with carrying amounts of RMB13,200,000 (30 June 2023: RMB14,500,000 and RMB2,000,000) with interest rates of 8.0% per annum (30 June 2023: ranging from 8.0% to 10.0% per annum) and repayable in March 2024 (30 June 2023: April 2024 and March 2024, respectively).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 19. DEFERRED TAX LIABILITIES

	As at 31 December 2023 RMB'000 (Unaudited)	As at 30 June 2023 RMB'000 (Audited)
Balance as at 1 July 2023 and 1 July 2022	41	46
Credited to profit or loss for the period:		
Reversal of deferred taxes liabilities	(6)	(10)
Exchange realignment	-	5
Balance as at 31 December 2023 and 30 June 2023	<b>35</b>	41

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20. SHARE CAPITAL

	Number of shares	The Company	
		Amount HK\$'000	Amount RMB'000
<b>Ordinary shares of HK\$0.01 each</b>			
<b>Authorised share capital:</b>			
At 1 July 2022, 30 June 2023, 1 July 2023 and 31 December 2023	1,500,000,000	15,000	13,631
<b>Issued and paid-up:</b>			
At 1 July 2022	880,000,000		7,455
Issuance of shares ( <i>Note (a)</i> )	24,000,000		210
<b>At 30 June 2023</b>	<b>904,000,000</b>		<b>7,665</b>
Insurance of shares upon placing, net of transaction costs ( <i>Note (b)</i> )	142,628,000		1,334
<b>At 31 December 2023</b>	<b>1,046,628,000</b>		<b>8,999</b>

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20. SHARE CAPITAL (CONTINUED)

*Notes:*

- (a) On 18 April 2023, the Company has allotted and issued of 24,000,000 shares (the **"Awarded Shares"**) to a trustee as fully paid at nominal value under the general mandate pursuant to the share award scheme (the **"Share Award Scheme"**). The Awarded Shares represented approximately 2.29% of the enlarged issued share capital of the Company as at the date of this report. On the issuance date, the Trustee held such Shares on trust for the Selected Participants and will transfer the respective proportions to each of them at Nil consideration upon vesting and settlement of their respective Awarded Shares. Accordingly, no fund was raised from the allotment and issuance of the Awarded Shares.
  
- (b) On 31 October 2023, the Company completed the placing of 142,628,000 placing shares (the **"Placing"**) representing approximately 13.63% of the enlarged issued share capital of the Company as at the date of this report. The gross and net proceeds (after deducting the placing commission and other related expenses) from the Placing are amounted to HK\$28.8 million (equivalent to approximately RMB26.7 million) and HK\$28.2 million (equivalent to approximately RMB26.4 million), respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## DEVELOPMENT OF BUSINESS AND PROSPECTS

Our principal businesses are:

- (i) provision of brand e-commerce operation services (digital marketing services, online agency operation services, online retailing and distribution services) in the PRC (the “**EC segment**”); and
- (ii) sale and provision of integrated services of networking, sound and communication systems and alert alarm system services (including the sale of networking, sound and communication systems, provision of integrated services of networking, sound and communication systems and alert alarm system services) to customers in Singapore, Malaysia and the PRC (the “**NSC segment**”).

For the six months ended 31 December 2023, (the “**Relevant Period**”), the Group recorded a net loss of approximately RMB7.0 million as compared to a net loss of approximately RMB9.9 million for the six months ended 31 December 2022. The Directors are of the view that the reduction in net loss was primarily caused by the increase in gross profit earned from the expansion in business operations of the Group’s EC segment during the Relevant Period. This effect was offset by the increase in selling and administrative expenses and payroll expenses incurred as part of business expansion and operations in the Group’s NSC segment and EC segment in the PRC for the Relevant Period.

## OUTLOOK

### Outlook of E-commerce in the People’s Republic of China (the “**PRC**”)

#### *Overview of China’s Brand E-commerce Service Market*

Brand e-commerce operation refers to third-party services provided to brand owners, and mainly includes brand market analysis, marketing and promotion, online store operation, consumer management, customer service and warehousing logistics services.

With professional operating experience, brand e-commerce operation service providers can help brand clients to promote brand culture and improve customer experience, carry out promotional activities through diversified online distribution channels to expand customer base, and constantly optimise marketing strategies based on accurate consumer analysis, so as to ultimately enhance their brand influence.

# MANAGEMENT DISCUSSION AND ANALYSIS

As a link between brand owners, e-commerce platforms and consumers, brand e-commerce operation service providers create value for all parties in the industry chain. With the increasing importance of online sales channels, operation service providers have gradually built a dynamic and beneficial ecosystem with brand owners and e-commerce platforms.

Brand owners enter e-commerce platforms to explore online sales channels and tap into the traffic resources of e-commerce platforms; aided by the professional operation of e-commerce operation service providers, brand owners fully reach target customers and continuously improve the conversion rate which would in turn ultimately increase sales of products for the brands. Brand operation service providers cater to the needs of the brand owners, obtain authorization, and generate business revenue through operations. E-commerce platforms, while providing traffic platforms for brand owners and operating service providers, benefit from them in turn. In expanding online channels for brand owners, operation service providers also bring premium brands to the platform, thereby enhancing the reputation and traffic of the platform. The gross merchandise volume that operation service providers help brand owners create is also an important support for the platform's transaction volume. Therefore, operation service providers play an indispensable role in promoting the ecological prosperity of the platform.

## ***Prospect of the business of E-commerce Operation of the Company***

The business of e-commerce operation has become the principal business of the Company. As at the date of this report, the Company has established a complete operation team and achieved a certain scale in its operation. Currently, brands and products that the Company is operating and has newly added include domestically and internationally renowned brands, such as Philips water purifier, Philips audio and video products, ASUS, BISSELL, ECOVACS, ROBAM Appliances, AMOI, SUPOR, VIOMI kitchen and bathroom products, Puppy Electronic Appliances, Meiling Jiankang (美菱健康), Rongsheng Asthetik (容声阿斯迪), Midea, Autohome, ECOVACS.

In terms of brand expansion, the Company will continue to focus on introducing relatively matured and renowned brands at home and abroad in order to ensure a high-speed growth of our operation business in addition to the consolidation of existing cooperative brands.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Company will continue to focus on the JD.com platform by strengthening close cooperation with various industry sectors of JD.com and cooperate with e-commerce platforms, such as Tmall, Taobao and Pinduoduo at the same time. In addition, the Company will also enhance the establishment of its online distribution system through the online channels so as to increase sales of its service brands.

Regarding the establishment of operation systems, we will consolidate our teams by enhancing the structure of the front office, middle office and back office, and continuously boost operational capability and efficiency of our teams through talent recruitment and internal training.

We firmly believe that China and the rest of the world will gradually emerge from the pandemic and return to normal. In addition, a solid operating foundation has been established for the e-commerce operation business. We are optimistic that the e-commerce operation business will see rapid growth.

## ***Outlook of sale and provision of integrated services of networking, sound and communication systems solutions industry in Singapore and Malaysia***

As a developed country with an aging population, Singapore continues to face the challenges of higher impact of chronic disease and of increasing medical infrastructure utility rates. Being one of the countries which spends most annually in healthcare on a per capita basis amongst member countries in the Association of South East Asian Nation, the Singapore's Ministry of Health expects Singapore's national health expenditure to increase to S\$43 billion in 2030. Therefore, we continue to monitor the public and private healthcare infrastructure plans in existing markets and participate in requests for proposal in both private and public tenders.

# MANAGEMENT DISCUSSION AND ANALYSIS

We continue to look for opportunities to work together with potential and existing customers to expand our sales pipeline through the introduction of cloud-based network solutions to enhance both wired and wireless communication systems within healthcare institutions. During the Year, we expanded our product offerings to include medical beds and continue to explore potential integrations within our strong business network in Singapore.

We stand ready and are committed to serving our clients in the education, private healthcare and public housing sectors. Through iterative and constructive feedback from our stakeholders, we continue to create value for our clients through constant innovation and integration with existing or new systems to formulate the relevant solution to address the end-users' needs.

The Malaysian Hospital Market, valued at US\$6.8 billion in the year 2021, is anticipated to grow at a compound annual growth rate of 7.0% during the forecast period of 2023 to 2027. In potential growth markets such as Malaysia, we expect the rapid growth to require significant investments from both the public and private sectors, therefore, we continue to work closely with our strategic business partners in both East and West Malaysia to promote our customised solutions to our clients serving the public and private healthcare sector.

Although the global electronics downturn is likely to be protracted and costly to our operations, we continue to optimise utilisation of existing resources to continue capital efficient growth in our existing markets. In line with increased cost competitiveness in the Network, Sound and Communication Systems and Solutions industry in Singapore and Malaysia, the Group will focus our resources on projects which will benefit the most to our stakeholders. We expect to retain our competitive edge in the Singapore market in the public and private healthcare sector and continue to grow our presence in other high growth markets such as Malaysia private healthcare sector.

In the face of general challenges such as looming recession risks and higher interest rates, we believe that with our healthy level of project and maintenance pipeline, we are poised to continue to create and share value amongst the stakeholders in our industry chain, through building mutually beneficial relationships.



# MANAGEMENT DISCUSSION AND ANALYSIS

## *Outlook of sale and provision of integrated services of networking, sound and communication systems in the PRC*

The Chinese government sets “Accelerating Digitalization and Building Digital China” as a separate chapter in the 14th five-year plan, proposing to “transform the pattern of production, lifestyle, and governance models through digital transformation”. Digital economy and digital transformation will become important strategies and development drivers for China in the coming years.

In February 2023, the Chinese government promulgated the “Plan for the Overall Layout of Building a Digital China”, which pointed out that building a digital China is an important engine for promoting Chinese-style modernization in the digital age. The plan stipulates that the construction of digital China will be carried out in accordance with the “2522” overall framework. The promulgation of this plan by the Chinese government will surely lead to the development of China’s digital economy.

It is anticipated that the Chinese government will speed up the construction of digital infrastructure represented by data centers and intelligent computing centers. According to China’s Digital Transformation Market Forecast, 2021-2026: Practicing a Digital Priority Strategy through Application Scenarios, a study report published by IDC in June 2022, it is forecasted that the Chinese government’s total investment in digital economy during the 14th Five-Year Plan period will reach RMB15-20 trillion, with the government and large and medium state-owned enterprises accounting for 70% of digital transformation spending.

In view of China’s national strategic planning and the instrumental role of “data centers and computing centers” and other digital infrastructure, the provision of IT system integration services, IT technical services and operation and maintenance services for large and medium state-owned enterprises revolving around “data centers” will be a market with great potential and size.

During the Relevant Period, we obtained various projects of networking system integration and services in the railway industry, which has become a key driver of the Group’s business. As railway has become an important industry in respect of China’s infrastructure construction, railway construction is also an industry where the Group endeavours to deepen and expand the business of networking system integration.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

Our revenue increased to approximately RMB115.4 million for the Relevant Period by approximately RMB18.9 million or 19.5%, from approximately RMB96.5 million for the six months ended 31 December 2022. This was principally due to the increased revenue contribution from the completion of certain high value contracts in NSC segment for the Relevant Period.

### Costs of sales/services

Our costs of sales/services increased to approximately RMB69.2 million for the Relevant Period by approximately RMB1.6 million or 2.3%, from approximately RMB67.6 million for the six months ended 31 December 2022. The increase in costs was substantially due to the increases in materials delivered to customers in the PRC which were in line with the increase in revenues from NSC segment in the PRC during the Relevant Period.

### Gross profit

Our gross profit increased to approximately RMB46.2 million for the Relevant Period by approximately RMB17.2 million or 59.5%, from approximately RMB29.0 million for the six months ended 31 December 2022. The increase in gross profit was largely due to volume sales in the EC Segment. The Group's gross profit margin increased from 30.0% for the six months ended 31 December 2022 to 40.0% for the Relevant Period. The increase in gross profit margin was mainly due to achieving lower material prices with vendors in our NSC segment during the Relevant Period.

### Other (losses) gains, net

During the Relevant Period, other income of approximately RMB0.1 million, net increased by approximately RMB2.6 million or 104.0%, from other losses of approximately RMB2.5 million for the six months ended 31 December 2022. The decrease of losses was mainly attributable to reduction of foreign exchange losses on the operations in Singapore during the Relevant Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Selling and administrative expenses

The selling and administrative expenses increased by approximately RMB9.8 million or 53.9% from approximately RMB17.9 million for the period ended 31 December 2022 to approximately RMB27.7 million for the Relevant Period. The significant increase was mainly due to the increase of approximately RMB5.2 million in administrative costs related to the expansion and growth of the operations of the Group's EC segment in the PRC.

## Selling and administrative staff costs

Payroll expenses increased by approximately RMB3.7 million or 24.3%, from approximately RMB15.1 million for the period ended 31 December 2022, to approximately RMB18.8 million for the Relevant Period. The increase was mainly attributed to (i) the increase in operational and administrative payroll expenses incurred to maintain the expansion of our EC segment in the PRC in which contributing an increase of approximately RMB2.5 million; and (ii) increased in payroll costs of approximately RMB1.2 million related to Group's NSC segment in Singapore and Malaysia due to the hiring of sales personnel.

## Finance costs

Our finance costs increased to approximately RMB1.5 million for the Relevant Period, by approximately RMB0.4 million or 36.8%, from approximately RMB1.1 million for the six months ended 31 December 2022. The increase was mainly due to the increase in borrowings to fund the expansion of EC segment and NSC segment in the PRC during the Relevant Period.

## Income tax expense

Our income tax expense decreased to approximately RMB0.6 million for the Relevant Period, by approximately RMB0.3 million or 37.5%, from approximately RMB0.9 million for the six months ended 31 December 2022. The decrease was primarily due to a decrease in taxable profits in the Group's NSC segment in Singapore for the Relevant Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Loss and other comprehensive loss for the period attributable to the owners of the Company**

For the Relevant Period, the Group recorded a net loss for the period attributable to owners of the Company of approximately RMB5.0 million as compared to a net loss for the period attributable to owners of the Company of approximately RMB10.9 million for the six months ended 31 December 2022. The decrease in loss was mainly attributable to the increase of gross profit earned from the expansion in business operations of the Group's NSC segment and EC segment for the Relevant Period.

## **Interim dividends**

The Board does not recommend the payment of an interim dividend for the Relevant Period (six months ended 31 December 2022: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Use of proceeds from listing of shares of the Company and comparison of business objectives with actual business progress

Up to 31 December 2023, the net proceeds raised from the listing of shares of the Company were utilised in accordance with the designated uses set out in the prospectus issued by the Company on 29 December 2017 (the “**Prospectus**”), the supplemental announcement issued on 31 July 2020 (the “**Supplemental Announcement**”), and the announcement in relation to further change in use of net proceeds issued on 6 September 2023 as follows:

Description	Amount designated in the prospectus HK\$ million	Net movement designated in the announcement dated on 6 September 2023	Revised allocation of the total net proceeds as at 31 December 2023	Actual use of proceeds as at 31 December 2023	Unutilised amount as at 31 December 2023	% utilised as at 31 December 2023	Expected date to fully utilise the unutilised amount
		HK\$ million (Note)	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
Strengthen our marketing efforts in the sound and communication industry in Singapore	1.4	1.5	2.9	1.2	1.7	41.4%	30 June 2026
Expand and train our sales and marketing, technical and support workforce	11.6	9.0	20.6	12.2	8.4	59.2%	30 June 2026
Purchase transportation vehicles	3.0	Nil	3.0	1.0	2.0	33.3%	30 June 2026
Setting up of a new sales office in Singapore	10.0	(8.0)	2.0	0.4	1.6	20.0%	30 June 2026
Partial repayment of bank loan	10.0	Nil	10.0	10.0	Nil	100.0%	N/A
Resources for the provision of performance bonds	2.0	Nil	2.0	1.8	0.2	90.0%	30 June 2024
Take steps to obtain higher grade level under our current mechanical and electrical workhead	2.5	(2.5)	Nil	Nil	Nil	0.0%	N/A
General working capital and general corporate purposes	3.5	Nil	3.5	3.5	Nil	100.0%	N/A
<b>Grand total</b>	<b>44.0</b>	<b>Nil</b>	<b>44.0</b>	<b>30.1</b>	<b>13.9</b>	<b>68.4%</b>	

### Note:

Net movement amount is calculated as the revised use of remaining balance of the unutilized net proceeds minus the unutilized amount of net proceeds as stated in the announcement dated 6 September 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the designated and actual implementation plan up to 31 December 2023:

Purpose	Implementation Plan	Actual implementation activities
Strengthen our marketing efforts in the sound and communication industry in Singapore	<ul style="list-style-type: none"> <li>• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement</li> <li>• Maintain and improve our corporate websites by the external consultant for customised website development</li> <li>• Participate in industry trade show(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained and improved our corporate websites, by using in-house resources to develop and maintain the Group's website instead of engaging external website designers</li> <li>• Considered the current project tender</li> <li>• Sought more opportunities to conduct new trade shows to further reach out to potential customers in healthcare industry in Singapore</li> </ul>
Expand and train our sales and marketing, technical and support workforce	<ul style="list-style-type: none"> <li>• Staff cost for retaining the approximately one project manager, two engineers and 10 technicians to be recruited by February 2018, and the associated staff accommodation costs</li> <li>• Staff cost for retaining the approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and taking into account potential increase in wage level, and the associated staff accommodation costs</li> <li>• To provide internal and external trainings and workshops to our sales and technical staff</li> </ul>	<ul style="list-style-type: none"> <li>• New headcount of 8 engineers and 25 technicians were recruited as at 31 December 2023</li> <li>• New headcount of 2 sales and marketing executives, 1 marketing manager and 1 sales manager were recruited as at 31 December 2023</li> <li>• Provided internal and external trainings and workshops to our technical staff</li> <li>• In the process to seek suitable candidates to the remaining positions</li> </ul>

# MANAGEMENT DISCUSSION AND ANALYSIS

Purpose	Implementation Plan	Actual implementation activities
Purchase transportation vehicles	<ul style="list-style-type: none"> <li>• Purchase of three van for maintenance operations and, transportation of relevant equipment and/or labour</li> <li>• Purchase of two lorries for delivery and transportation of larger equipment and/or labour</li> </ul>	<ul style="list-style-type: none"> <li>• Purchased of two vans for maintenance operations and, transportation of relevant equipment and/or labour</li> <li>• Considered and monitored Group's current project portfolio but postponed the purchase of two vans due to current different project requirements</li> </ul>
Setting up a new sales office in Singapore	<ul style="list-style-type: none"> <li>• Purchase of one new property to be used by our sales and contract department and act as a demonstration facility for our sound and communication systems</li> </ul>	<ul style="list-style-type: none"> <li>• Considered and monitored the Group's project tenders and plan was postponed due to current observed industry customers' requirements and the property prices in Singapore were surged up higher than expected which the Group requires additional time to identify the suitable premises in order to meet the Group's financial budget</li> <li>• The Group revised the use of net proceeds for renovation of new sales office space</li> </ul>
Partial repayment of bank loan	<ul style="list-style-type: none"> <li>• Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore</li> </ul>	<ul style="list-style-type: none"> <li>• The mortgage loan was partially repaid on 11 July 2018</li> </ul>
Expansion of our sound and communication services solution business	<ul style="list-style-type: none"> <li>• To explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore, particularly larger scale projects which may be required for the provision of performance bonds</li> </ul>	<ul style="list-style-type: none"> <li>• Postponed due to performance bond not required in recent awarded tenders to the Group</li> <li>• In the process of exploring large scale potential projects which requires the provision of performance bonds</li> </ul>
Take steps to obtain higher grade level under our current mechanical and electrical workhead	<ul style="list-style-type: none"> <li>• Satisfy the minimum financial requirements for "L6" grade under our current mechanical and electrical workhead</li> </ul>	<ul style="list-style-type: none"> <li>• Considered and monitored the Group's project portfolio and considered adverse impacts on Singapore economy, the unutilized amount were reallocated to other categories</li> </ul>

# MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds raised from the listing of the shares of the Company on GEM of the Stock Exchange, after deducting the related expenses, were approximately HK\$44.0 million.

The unutilised balance of net proceeds of each designated uses set out above is expected to be fully utilised by 30 June 2024 and 30 June 2026. Please refer to the announcements of the Company dated 31 July 2020 and 6 September 2023 for the details of the delay in the use of the net proceeds and change in the use of proceeds, respectively.

The expected timeline for fully utilise the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this report. The Board confirms that the Group continues to be invited for tender and be awarded projects from its customers during the relevant periods and therefore considers that the delay in use of proceeds and business expansion does not have any material adverse impacts on the operation of the Group. The Board will continue closely monitoring the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds and will keep shareholders and potential investors informed if there are any material changes.

## Use of proceeds from the placing of new shares of the Company and comparison of business objectives with actual business progress

The net proceeds raised from the placing of new shares under General Mandate first announced on 6 October 2023 and completed on 31 October 2023 (the “Placing”) amounted to approximately HK\$28,200,000.

	HK\$	Approximate percentage of allocation
(i) Expand its suite of integrated service and systems	8,460,000	30.0%
(ii) Develop new markets in Asia	5,640,000	20.0%
(iii) Repay certain outstanding indebtedness of the Group	8,460,000	30.0%
(iv) General working capital of the Group	5,640,000	20.0%
<b>Total</b>	<b>28,200,000</b>	<b>100.0%</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

Actual use of proceeds as at 31/12/2023	HK\$	% utilised as at 31 December 2023	Expected timeline to fully utilise the unutilised amount <i>(Note)</i>
(i) Expand its suite of integrated service and systems	8,460,000	100.0%	N/A
(ii) Develop new markets in Asia	–	0%	30/6/2025
(iii) Repay certain outstanding indebtedness of the Group	8,460,000	100.0%	N/A
(iv) General working capital of the Group	1,240,800	22.0%	30/6/2025
<b>Total</b>	<b>18,160,800</b>	<b>64.4%</b>	

*Note:* The expected timeline for fully utilising the unutilised proceeds of the Placing is determined based on the Group's best estimate of future market conditions, and is subject to change depending on future developments.

# DISCLOSURE OF INTERESTS

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2023, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO), or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Long position in ordinary shares of the Company

Name of Directors	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding in the Company
			as at 31 December 2023
Mr. Cao Chunmeng	Beneficial owner	108,168,000	10.33%
Mr. Qiu Yingming	Beneficial owner	40,000,000	3.82%
Mr. Yuan Shuangshun <sup>1</sup>	Beneficial owner/ Interest of spouse	4,510,000	0.43%
Mr. Han Bing	Beneficial owner	1,000,000	0.10%

*Note:*

1. Ms. Zeng Xiu Hua, the spouse of Mr. Yuan Shuangshun, holds 844,000 ordinary shares of the Company. By virtue of the SFO, Mr. Yuan Shuangshun is deemed to be interested in the 844,000 ordinary shares.

# DISCLOSURE OF INTERESTS

## Long position in underlying shares or equity derivatives of the Company

Name of Directors	Capacity/Nature of interest	Share options	Approximate	Approximate
			percentage of shareholding in the Company assuming all the share options granted under the Share Option Scheme were exercised as at 31 December 2023	percentage of shareholding in the Company as at 31 December 2023
Mr. Yuan Shuangshun	Beneficial owner	8,000,000	0.76%	0.73%
Mr. Han Bing	Beneficial owner	8,000,000	0.76%	0.73%
Mr. Yan Xiaotian	Beneficial owner	800,000	0.08%	0.07%
Mr. Tang Chi Wai	Beneficial owner	800,000	0.08%	0.07%

Save as disclosed above, as at 31 December 2023, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

# DISCLOSURE OF INTERESTS

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2023, so far as is known to the Directors, the following person (other than Directors or chief executive of the Company) had or were deemed or taken to have interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO was as follows:

### Long position in ordinary shares of the Company

Name	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding in the Company as at 31 December 2023
Lux Aeterna Global Fund SPC	Beneficial owner	65,300,000	6.24%

Save as disclosed above, as at 31 December 2023, so far as is known to the Directors or chief executive of the Company, no other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS**” above, had any interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

# OTHER INFORMATION

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

On 31 October 2023, the Company completed the placing of 142,628,000 new shares under General Mandate (the “**Placing**”) representing approximately 13.63% of the issued share capital of the Company as at 31 December 2023. The gross and net proceeds (after deducting the placing commission and other related expenses) from the Placing are amounted to HK\$28,800,000 and approximately HK\$28,200,000 respectively. The Company intends to apply 30% of the net proceeds to expand its suite of integrated services and systems; 20% of the net proceeds to develop new markets in Asia; 30% of the net proceeds to repay certain outstanding indebtedness of the Group; and 20% of the net proceeds to general working capital of the Group.

Other than as disclosed above, there has been no further change in the capital structure of the Group during the Relevant Period and up to the date of this report.

As at the date of this report, the Company’s issued capital was 1,046,628,000 Shares of HK\$0.01 each.

As at 31 December 2023, the Group had total assets of approximately RMB197.4 million, total liabilities and shareholders’ equity of approximately RMB96.8 million and RMB100.7 million, respectively. The Group’s current ratio as at 31 December 2023 was approximately 2.3 times compared to 1.7 times as at 30 June 2023. The increase in current ratio was primarily due to decrease in borrowings as at 31 December 2023 due to repayment of bank borrowings during the Relevant Period.

The gearing ratio for the Group as at 31 December 2023 was 43.6% (30 June 2023: 104.1%). It was calculated by dividing total obligations under total bank borrowings by total equity as at the end of each reporting period multiplied by 100%.

## TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Relevant Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

## OTHER INFORMATION

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the six months ended 31 December 2023, the Group did not have any material acquisitions or disposals of subsidiaries and associates.

### CAPITAL EXPENDITURE

Total capital expenditure for the Relevant Period was approximately RMB67,000, which was used to purchase property, plant and equipment.

### CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2023 (30 June 2023: nil).

### COMMITMENTS

As at 31 December 2023, the Group did not have any capital commitments (30 June 2023: nil).

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the total number of employees of the Group was 146 (31 December 2022: 149) and the Directors' emoluments incurred during the Relevant Period were approximately RMB5.1 million (six months ended 31 December 2022: approximately RMB4.4 million).

The Group recognises employees as valuable assets and the Group's success is underpinned by every employee. In line with the Human Resources policies, the Group is committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of the employees. The Group regularly reviews our Human Resources policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. The Group always places emphasis on attracting qualified applicants by offering competitive remuneration packages which would be reviewed based on employees' performance and reference to prevailing market conditions, and these remuneration packages would be adjusted in a timely manner to keep them competitive in line with market benchmarking.

## OTHER INFORMATION

The Group operates the retirement schemes for employees in Singapore outlined in the Central Provident Fund Act (Chapter 36 of Singapore), in Malaysia outlined in the Employee's Provident Fund Act 1991 and Employment Insurance System Act 2018 Laws of Malaysia, in Hong Kong outlined in the Mandatory Provident Fund Schemes Ordinance (Cap. 485), and in the PRC in accordance to Labour Law and Labour Contract Law of the PRC.

In addition, the Company has conditionally adopted a share option scheme (the **"Share Option Scheme"**) on 14 December 2017 and a share award scheme (the **"Share Award Scheme"**) on 18 February 2021 so as to motivate, attract and retain the right employees.

### EVENTS AFTER REPORTING PERIOD

With effect from 15 January 2024, Ms. Choon Shew Lang ceased to be the authorised representative of the Company under GEM Listing Rules, and Mr. Yuan Shuangshun, executive Director, has been appointed as the authorized representative of the Company thereafter. For details of the appointment, please refer to the announcement of the Company dated 12 January 2024. Saved as disclosed above, the Group had no other significant events from the end of the reporting period to the date of this report.

### CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors during the Relevant Period and up to the date of this report.

### NO CHANGE IN INFORMATION OF DIRECTORS

There was no change in the information of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, Directors confirmed that the Company has maintained a sufficient amount of public float for its shares of the Company as required under the GEM Listing Rules during the Relevant Period.

# OTHER INFORMATION

## COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business or interest that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules during the Relevant Period.

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

The Board confirms that during the Relevant Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 14 December 2017 for the purpose of providing incentive to eligible participants (including Directors) who contributed to the success of the Group.

As at 31 December 2023, options to subscribe for an aggregate of 56,300,000 shares of the Company granted to Directors, certain employees and external consultant pursuant to the Share Option Scheme remained outstanding, details of which were as follows:

Name and category of participants	Date of grant	Exercise price per option	Exercise period	Vesting period	At 1 July 2023	Granted during the period	Lapsed/ Forfeited during the period	At 31 December 2023
Directors								
Mr. Yuan Shuangshun	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	2,400,000	-	-	2,400,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	2,400,000	-	-	2,400,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	3,200,000	-	-	3,200,000
Sub-total					8,000,000	-	-	8,000,000
Mr. Han Bing								
Mr. Han Bing	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	2,400,000	-	-	2,400,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	2,400,000	-	-	2,400,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	3,200,000	-	-	3,200,000
Sub-total					8,000,000	-	-	8,000,000



# OTHER INFORMATION

Name and category of participants	Date of grant	Exercise price per option	Exercise period	Vesting period	At 1 July 2023	Granted during the period	Lapsed/ Forfeited during the period	At 31 December 2023
Mr. Yan Xiaotian	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	240,000	-	-	240,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	240,000	-	-	240,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	320,000	-	-	320,000
Sub-total					800,000	-	-	800,000
Mr. Tang Chi Wai	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	240,000	-	-	240,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	240,000	-	-	240,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	320,000	-	-	320,000
Sub-total					800,000	-	-	800,000
Employees – In aggregate	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	11,670,000	-	(360,000)	11,310,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	11,670,000	-	(360,000)	11,310,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	15,560,000	-	(480,000)	15,080,000
Sub-total					38,900,000	-	(1,200,000)	37,700,000
External consultant (Note 2)								
Mr. Liuqingwang	31.12.2021	HK\$0.5	31.12.2021 to 30.12.2026	N/A	300,000	-	-	300,000
	31.12.2021	HK\$0.5	31.12.2022 to 30.12.2026	1st anniversary of the date of grant	300,000	-	-	300,000
	31.12.2021	HK\$0.5	31.12.2023 to 30.12.2026	2nd anniversary of the date of grant	400,000	-	-	400,000
Sub-total					1,000,000	-	-	1,000,000
Total					57,500,000	-	(1,200,000)	56,300,000

Share options were lapsed due to employee resignations. As of the date of this report, no share options were exercised.

For further details of the grant of share options to Mr. Liuqingwang, external consultant of the Company, please refer to the Company's announcement dated 14 December 2022.

## OTHER INFORMATION

Particulars of the Share Option Scheme are set out below:

### **Purpose of the Share Option Scheme**

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

### **Total number of shares available for issue under the Share Option Scheme**

Under the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the 16 January 2018, being 80,000,000 Share (the “**Scheme Limit**”). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may renew this limit at any time to 10% of the Shares in issue (the “**New Scheme Limit**”) as at the date of the approval by the Shareholders in that general meeting.

### **Maximum entitlement of each participant under the Share Option Scheme**

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

### **Period within which the shares must be taken up under an option**

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

### **Minimum period for which an option must be held before it can be exercised**

The minimum period will be determined by the Board upon the grant of an option.

# OTHER INFORMATION

## Amount payable on acceptance of an option and the period within which payments shall be made

A consideration of HK\$1 (approximately RMB0.93) is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date no later than 21 business days from the date upon which it is made.

## Basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of the share on the date of grant.

## Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date until 13 December 2027.

Details of share options granted under the Share Option Scheme are as follows:

	<b>Share options granted on 31 December 2021</b>
<hr/>	
Number of ordinary shares issued upon exercise:	
– Directors	18,400,000
– Employees	45,900,000
– External consultant	1,000,000
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	65,300,000
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## OTHER INFORMATION

For the share options granted on 31 December 2021, 19,590,000 share options are exercisable immediately on the date of grant (i.e. 31 December 2021) (the “**first tranche**”); 19,590,000 share options are exercisable 1st anniversary of the date of grant (i.e. 31 December 2022) (the “**second tranche**”); 26,120,000 share options are exercisable on the 2nd anniversary of the date of grant (i.e. 31 December 2023) (the “**third tranche**”).

In the event the grantee ceases to be the participants, the share options granted to the grantee shall lapse on the date which the grantee ceases to be the participant.

The Group does not have a legal or constructive obligation to repurchase or settle the options in cash.

Details in the exercise prices and the movement of number of share options outstanding and exercisable are as follows:

Grant date	Exercise price per share option HK\$	As at 1 July 2023	Granted during the Relevant Period	Lapsed/ forfeited during the Relevant Period	As at 31 December 2023
<b>31 December 2021</b>					
– Directors	0.5	17,600,000	–	–	17,600,000
– Employees	0.5	38,900,000	–	(1,200,000)	37,700,000
– External consultant	0.5	1,000,000	–	–	1,000,000
		57,500,000	–	(1,200,000)	56,300,000

Grant date	Exercise price per share option HK\$	As at 1 July 2022	Granted during the year	Lapsed/ forfeited during the year	As at 30 June 2023
<b>31 December 2021</b>					
– Directors	0.5	18,400,000	–	(800,000)	17,600,000
– Employees	0.5	44,700,000	–	(5,800,000)	38,900,000
– External consultant	0.5	1,000,000	–	–	1,000,000
		64,100,000	–	(6,600,000)	57,500,000

## OTHER INFORMATION

At 31 December 2023, the weighted average remaining contractual life of these outstanding share options was approximately 3.0 years (30 June 2023: 3.5 years), with a weighted average exercise price of HK\$0.50 (30 June 2023: HK\$0.50) per share option. At 31 December 2023, the number of exercisable share options was 56,300,000 (30 June 2023: 34,500,000). The weighted average share price per share from the date of the share options granted to 31 December 2023 was HK\$0.23.

1,200,000 share options were lapsed due to termination of employment during the period ended 31 December 2023. As result, share option reserve of approximately RMB160 thousand was reclassified to accumulated losses thereafter.

As at the date of this report, no share options were exercised.

### **Exercisable at the end of the Period**

During the Relevant Period, no share option were granted.

The fair values of employee services received in return for share options granted are measured by reference to the fair value of share options granted.

An external consultant was engaged to provide legal advice on the business operations of the Group in the PRC as detailed in the Company's announcement dated 14 December 2022. In the opinion of the directors of the Company, the fair value of services cannot be measured reliably and the Group should measure the services rendered the external consultant by reference to the fair value of share options granted.

## OTHER INFORMATION

For the fair value of services measured indirectly by reference to the fair value of the share options granted, the fair value is determined by the directors of the Company with reference to the valuation performed by an independent valuer, Ravia Global Appraisal Advisory Limited using the Binomial Option Pricing Model and significant inputs into the model were as follows:

**Share options  
granted on  
31 December 2021**

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Expected volatility	100.38%
Expected option life	5 years
Expected dividend yield	0.00%
Annual risk-free interest rate	1.11%
Fair value	HK\$10,300,000
Fair value – first tranche	HK\$0.1382
– second tranche	HK\$0.1550
– third tranche	HK\$0.1740

The expected volatility reflects the assumption that the historical volatility of future trends, adjusted for any expected changes to future volatility based on publicly available information, which may also not necessarily be the actual outcome. No other feature of the options was incorporated into the measurement of the fair value.

The variables and assumptions used in estimating the fair value of the share options were the directors' best estimates. Change in subjective input assumptions can materially affect the fair value.

During the Relevant Period, share-based payment expense of approximately RMB3,331,000 (for the period ended 31 December 2022: approximately RMB1,649,000) for the share option scheme was recognised in the unaudited condensed consolidated profit or loss with a corresponding credit in share-based payment reserve.

None of the share options (30 June 2023: nil) were exercised during Relevant Period. At the time when the share options are subsequently exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium.

# OTHER INFORMATION

## SHARE AWARD SCHEME

On 18 February 2021, the Company adopted the share award scheme (the “**Share Award Scheme**”) to recognise the contributions by certain eligible persons and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The details are set out in the announcements of the Company dated 18 February 2021 and 9 March 2021. According to the Share Award Scheme, the award shares will be satisfied by way of (i) allotment and issue of new shares to the trustee at the subscription price under general mandate or specific mandate (as the case may be); or (ii) acquisition of existing shares through on-market transactions by the trustee and will be held on trust until they are vested. The maximum number of all award shares granted under the Share Award Scheme shall not exceed 1% of the total issued share capital of the Company from time to time.

On 18 April 2023, the Company has allotted and issued of 24,000,000 shares (the “**Awarded Shares**”) to a trustee as fully paid at nominal value under the general mandate pursuant to the share award scheme (the “**Share Award Scheme**”). The Awarded Shares represented approximately 2.29% of the enlarged issued share capital of the Company as at 31 December 2023. On the issuance date, the trustee held such Awarded Shares on trust for the 16 selected participants and will transfer the respective proportions to each of them at nil consideration upon vesting and settlement of their respective Awarded Shares. Accordingly, no fund was raised from the allotment and issue of the Awarded Shares. The details of grant of Awarded Shares are set out in the announcement of the Company dated 29 March 2023.

During the Relevant Period, no awarded Shares had been purchased under the Share Award Scheme.

## OTHER INFORMATION

Movement of the awarded Shares, which were granted under the Share Award Scheme, for the Relevant Period are listed below in accordance with Rule 23.07 of the GEM Listing Rules:

Category	Date of grant	Number of awarded Shares			Unvested as at 31/12/2023	Closing price per Share HK\$ <i>(Note a)</i>	Purchase Price HK\$	Vesting Period  <i>(Note b)</i>
		Unvested as at 01/07/2023	Granted during the Relevant Period	Lapsed during the Relevant Period				
16 continuous contract employees of the Group	29/03/2023	24,000,000	-	(200,000)	23,800,000	0.255	N/A	12 months from the date of grant

*Notes:*

- a. This represented the closing price of the Shares immediately before the date on which the awarded Shares were granted.
- b. The vesting period of the awarded Shares is from the date of grant until the date of vesting.
- c. During the Relevant Period, no awarded Shares was transferred from/to other category, cancelled or lapsed under the Share Award Scheme.
- d. There are no participants with awarded Shares granted in excess of the individual limit and no grants to suppliers of goods and services. There is no performance target attached to the awards granted. The above employees with awarded Shares are not Directors or senior managers (as defined in the GEM Listing Rules).
- e. The funds provided by the Company to the trustee of the Share Award Scheme for purchase of Shares from the market are expensed as part of the discretionary bonuses under the employee benefit expenses at the year of grant, which is determined based on the overall performance of the eligible participants and the Group.



# OTHER INFORMATION

## SUMMARY OF THE SHARE AWARD SCHEME

Details	Share Award Scheme
1. Purpose	To recognise the contributions by certain eligible persons and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.
2. Eligible Persons	Any individual, being an employee, director, officer, consultant or advisor of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group unless otherwise necessary or expedient to be excluded.
3. Maximum number of Shares	<p>On 18 April 2023, 24,000,000 awarded Shares were granted under the Share Award Scheme. Since the date of adoption and up to 31 December 2023, a total of 24,000,000 awarded Shares have been granted under the Share Award Scheme (representing approximately 2.29% of the issued share capital of the Company as at 31 December 2023), of which 24,000,000 remain unvested. The maximum number of the Shares which can be awarded under the Share Award Scheme is 10% of the total number of Shares in issue from time to time.</p> <p>As at 31 December 2023, the total number of shares available for issue under the Share Award Scheme was 64,000,000 Shares (representing approximately 6.11% of total number of issued shares of the Company as at 31 December 2023).</p> <p>The number of new shares available for grant under the Share Award Scheme was 64,000,000 Shares as at 1 July 2023 and 31 December 2023.</p>
4. Maximum entitlement of each participant	1% of the issued share capital of the Company from time to time.

## OTHER INFORMATION

Details	Share Award Scheme
5. Vesting period	The Board may, from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested. The Board may in its absolute discretion decide whether any award shall lapse or shall be subject to such conditions or limitations as the Board may decide.
6. Acceptance of offer	N/A
7. Exercise price/ Purchase price	N/A
8. Remaining life of the scheme	It shall be valid and effective for the award period, which commences on the adoption date, namely 18 February 2021, and ends on (i) the business day immediately prior to the 10th anniversary of the adoption date, i.e. 17 February 2031. As at the date of this report, the remaining life of the Share award Scheme was about 7 years; and (ii) such date of early termination as determined by the Board by a resolution of the Board provided that such termination does not affect any subsisting rights of any selected Eligible Persons specified under paragraph 2 above.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Board has and will continue to review and improve the Company's corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the GEM Listing Rules as its own corporate governance code since the shares of the Company were listed on GEM of the Stock Exchange on 16 January 2018. The Company has, so far as applicable, principally complied with the CG Code throughout the Relevant Period.

# OTHER INFORMATION

## AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules on 14 December 2017 and revised on 11 January 2019 (the “**Audit Committee**”). The primary duties of the audit committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing the Group’s financial statements, annual report and accounts, half-year report, and quarterly report and significant financial reporting judgements contained therein; and (c) reviewing the financial control, internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises of three independent non-executive Directors, namely Mr. Tang Chi Wai, Mr. Yan Xiaotian and Mr. Zheng Xiaorong. Mr. Tang Chi Wai is the chairman of the Audit Committee.

The unaudited interim results of the Company for the Relevant Period have not been audited by the Company’s independent auditors, but have been reviewed by the Audit Committee which is of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure have been made in respect thereof.

By order of the Board

**ISP Global Limited**

**Cao Chunmeng**

*Chairman and Executive Director*

Hong Kong, 6 February 2024

*As at the date of this report, the executive Directors are Mr. Cao Chunmeng, Mr. Han Bing, Mr. Yuan Shuangshun, Mr. Mong Kean Yeow and Ms. Choon Shew Lang, the non-executive Director is Mr. Qiu Yingming and the independent non-executive Directors are Mr. Zheng Xiaorong, Mr. Yan Xiaotian and Mr. Tang Chi Wai.*

*This report will remain on the “Latest Listed Company Announcements” page of the Stock Exchange website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting. This report will also be published on the Company’s website at [www.ispg.hk](http://www.ispg.hk).*