



abc*multiactive*

abc Multiactive Limited

(Incorporated in Bermuda with limited liability)

Stock code:8131

2023

FIRST
QUARTERLY
REPORT

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

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

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The board of directors (the “**Board**”) of the Company presents the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 28 February 2023, together with the comparative figures:

		(Unaudited)	
		For the three months ended	
	Notes	28 February 2023 HK\$'000	28 February 2022 HK\$'000
Revenue	3	6,311	18,920
Cost of sales		<u>(1,878)</u>	<u>(6,219)</u>
Gross profit		4,433	12,701
Other losses or gains, net	4	(2,026)	(1)
Software research and development and operating expenses		(1,104)	(1,140)
Selling and marketing expenses		(913)	(4,234)
Administrative expenses		<u>(2,313)</u>	<u>(2,728)</u>
(Loss)/profit from operating activities		(1,923)	4,598
Finance costs	6	<u>(311)</u>	<u>(372)</u>
(Loss)/profit before tax	5	(2,234)	4,226
Income tax credit	7	–	–
(Loss)/profit and total comprehensive income for the period attributable to owners of the Company		<u><u>(2,234)</u></u>	<u><u>4,226</u></u>
(Loss)/earnings per share			
– Basic	8	<u><u>HK(0.47) cents</u></u>	<u><u>HK0.89 cents</u></u>
– Diluted	8	<u><u>N/A</u></u>	<u><u>HK0.71 cents</u></u>

*NOTES:***1. BASIS OF PREPARATION**

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

The unaudited consolidated results for the three months ended 28 February 2023 have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company’s annual financial statements for the year ended 30 November 2022, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) and Hong Kong Accounting Standards (“**HKASs**”) as disclosed in note 2 below.

2. IMPACT ON NEW HKFRSs AND HKASs

The HKICPA has issued a number of new and revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2022. The Group has adopted, for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

Changes in accounting policies

HKFRSs and HKASs that are effective for the three months ended 28 February 2023:

Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKAS 16	Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Annual Improvements	Annual Improvements to HKFRSs 2018–2020 Cycle ¹

¹ Effective for accounting periods beginning on or after 1 January 2022.

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

3. REVENUE

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

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

	(Unaudited)	
	For the three months ended	
	28 February 2023 HK\$'000	28 February 2022 HK\$'000
Disaggregation of revenue from contracts with customers		
Sales of computer software licences, computer software licenses leasing and provision of related services	1,112	14,094
Provision of maintenance services	2,600	2,956
Sales of computer hardware and related products	–	20
Provision of fintech resources services	2,599	1,850
	6,311	18,920
Timing of revenue recognition		
A point in time	1,473	13,687
Over time	4,838	5,233
	6,311	18,920

4. OTHER LOSSES OR GAINS, NET

Fair value loss on financial assets at FVTPL
 Net exchange gain/(loss)
 Bank interest income

(Unaudited)
 For the three months ended

28 February 2023 HK\$'000	28 February 2022 HK\$'000
(2,047)	–
12	(1)
9	–
<u>(2,026)</u>	<u>(1)</u>

5. (LOSS)/PROFIT BEFORE TAX

(Unaudited)
 For the three months ended

(Loss)/profit before tax arrived at
 after charging:

Depreciation on property, plant and equipment
 Depreciation on right-of-use assets
 Directors' emoluments
 Staff costs (excluding directors' emoluments)
 – salaries and allowances
 – retirement benefit costs
 Cost of computer hardware and related products
 sold

28 February 2023 HK\$'000	28 February 2022 HK\$'000
41	21
317	304
200	350
2,312	2,175
98	92
–	12
<u>–</u>	<u>12</u>

6. FINANCE COSTS

	(Unaudited)	
	For the three months ended	
	28 February 2023	28 February 2022
	HK\$'000	HK\$'000
Imputed interest expenses on promissory notes	282	365
Interest expenses on lease liabilities	29	7
	311	372

7. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits for the period. (2022: no provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group's Hong Kong entities have sufficient tax losses brought forward to set off against assessable profit or no assessable profit).

No overseas profits tax has been calculated for the entities of the Group that are incorporated in Bermuda as it is exempted from profit tax for the three months ended 28 February 2023 and 2022.

As at 28 February 2023, the Group has unaudited tax losses arising in Hong Kong of approximately HK\$44,624,000 (As at 28 February 2022: approximately HK\$48,049,000) can be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share attributable to owners of the Company for the three months ended 28 February 2023 is based on the unaudited net loss for the period of approximately HK\$2,234,000. (For the three months ended 28 February 2022: unaudited net profit of approximately HK\$4,226,000); and the weighted average number of 475,813,216 ordinary shares for the three months ended 28 February 2023 (For the three months ended 28 February 2022: 475,813,216 ordinary shares).

Diluted earnings per share

The calculation of diluted loss per share did not assume the exercise of the convertible preference shares existed during the period as the exercise of the convertible preference shares would reduce loss per share, therefore anti-dilutive. Diluted loss per share for the three months ended 28 February 2023 was the same as the basic loss per share. (2022: the calculation of diluted earnings per share assumed the exercise of the convertible preference shares existed on 28 February 2022 and the weighted average number of ordinary shares outstanding has assumed conversion of all potentially dilutive ordinary shares as the exercise of the convertible preference shares would reduce earnings per share, therefore dilutive.)

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 28 February 2023

	Attributable to owners of the Company					
	(Unaudited) Share capital HK\$'000	(Unaudited) Share premium HK\$'000	(Unaudited) Contributed surplus HK\$'000	(Unaudited) Special reserve HK\$'000	(Unaudited) Accumulated losses HK\$'000	(Unaudited) Total HK\$'000
As at 1 December 2021	59,934	129,427	37,600	8,530	(223,644)	11,847
Profit and total comprehensive income for the period	-	-	-	-	4,226	4,226
As at 28 February 2022	<u>59,934</u>	<u>129,427</u>	<u>37,600</u>	<u>8,530</u>	<u>(219,418)</u>	<u>16,073</u>
As at 1 December 2022	59,934	129,427	37,600	8,530	(214,534)	20,957
Loss and total comprehensive loss for the period	-	-	-	-	(2,234)	(2,234)
As at 28 February 2023	<u>59,934</u>	<u>129,427</u>	<u>37,600</u>	<u>8,530</u>	<u>(216,768)</u>	<u>18,723</u>

Note:

The contributed surplus arises from a share for share exchange in acquiring a subsidiary. The amount represents the different between the nominal value of the Company's shares issued and the fair value of net assets of the subsidiary.

Special reserve comprises the gain accounted for as deemed capital contribution which arose from (i) the difference between the aggregate fair value of the convertible preference shares issued by the Company and the outstanding amounts of the promissory notes of the Company being settled, net of the related transactions costs, and (ii) waiver of interest of promissory notes by Maximizer International Limited, the shareholder of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 28 February 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited revenue of approximately HK\$6,311,000 for the three months ended 28 February 2023, decreased by 67% from approximately HK\$18,920,000 for the corresponding period last year. The unaudited net loss of the Group for the period was approximately HK\$2,234,000, whereas the Group recorded an unaudited net profit of approximately HK\$4,226,000 for the corresponding period last year. Of the total unaudited revenue amount, (i) approximately HK\$1,112,000 or 18% was generated from sales of computer software licenses, software licenses leasing and provision of related services, (ii) approximately HK\$2,600,000 or 41% was generated from maintenance services, and (iii) approximately HK\$2,599,000 or 41% was generated from fintech resources services. The decreases in total revenue are attributed to defer the projects deliver and slowdown in new license sales due to deferral of project engagement by customers effected by traditional long holidays atmosphere during the period. Also, the Company has taken more due care in new customer sales and required to collect initial deposit from new customers before product delivery further delayed the engagement of new sales.

During the period, the unaudited operating expenditures amount to approximately HK\$4,330,000, decreased by 47% when compared to approximately HK\$8,102,000 for the corresponding period last year. The decrease was mainly attributed to decrease in sales and marketing expenses from marketing promotion activities which was in line with the decreased in revenue of sales of computer software licenses during the period.

During the period, the unaudited depreciation expenses on property, plant and equipment was approximately HK\$41,000, increased by 95% when comparing to approximately HK\$21,000 for the same period last year. The reason of increase was mainly attributed to Hong Kong office relocation and additional spending on office renovation and purchase of office equipment in 2022.

During the period, the Group has no provision made for impairment of trade receivables for the three months ended 28 February 2023.

Total unaudited staff costs (excluding directors' remuneration) were approximately HK\$2,410,000 for the three months ended 28 February 2023, increased by 6% when comparing to approximately HK\$2,267,000 for the corresponding period last year. The reason of increase was mainly contributed to increase in payroll because of the number of staff increased during the period when compared to the corresponding period last year to cope with business activities of the Group.

Operation Review

For the three months ended 28 February 2023, the Group's unaudited revenue was approximately HK\$6,311,000, decreased by 67% from approximately HK\$18,920,000 for the corresponding period last year. Of the total unaudited revenue, revenue of approximately HK\$3,712,000 represents sales of self-developed software and revenue of approximately HK\$2,599,000 was generated from Fintech resources services.

Financial Solutions services

FinReg, FinReg KYC+ and its peripheral product lines (the "RegTech Solutions") were launched in the market since 2021. These has contributed a positive outcome to the Group. In addition to the increase in revenue, the Group also has a significant increase in new customers gained from RegTech Solutions. Step into the year 2023, the Group also expected that RegTech Solutions continued its growth momentum. Except for sales of software licenses and provision of professional services on Fintech Solutions, the Group also provides these customers with annual maintenance services and other professional services for these products, which greatly stable the Group's revenue. In the meantime, the Group is also in close negotiation with certain potential customers to implement RegTech Solutions.

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

OCTOSTP system ("OCTOSTP") and provision of the related services remain one of key source of revenue to the Group. The Group has consistently made significant strides in improving its businesses including strengthen its function of OCTOSTP to meet the functional needs of securities firms. During the period, the Group is in negotiation with customers to implement OCTOSTP systems and other related professional services.

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

Development of product line

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

In order to strengthen the Group's competitiveness, the Group has also dedicated resources to extend its product line. During the period, the Group are focus resources on developing a new WealthTech solution supports the technology needs of wealth and asset management industry customers to maximize efficiency for automated portfolio construction and performance calculation to reduce their operational complexity, streamlines and administration across various financial products. The Group believes that the diversify products lines, strengthen products functions and continuously innovative the technology of its products, which can effectively enhance the Group's competitiveness with the market.

The Group aims to help customers to improve business performance with efficiency and automation and will continue to explore additional value-added products of innovative technology solutions or services to meet industry need.

Fintech resources services

In light of the market trend to adopt technologies to improve work efficiency and the growing demand of IT professionals due to rapid development of fintech, the Group has successfully acquired Leadership Solutions Limited in 2021, the Group was able to expand the fintech resources services market, which provides secondment and support services of IT professionals and recruitment services for customers. Backed by the expertise and experience of the Group's IT professionals in financial industry and with the dedicated effort of our sales and marketing team, the Group also achieved significant growth in revenue in fintech resources services segment during the period. For the three months ended 28 February 2023, the Group's revenue generated from fintech resources was approximately HK\$2,599,000, increased by 40% from approximately HK\$1,850,000 for the corresponding period last year. The increase was attributed to increase in demanding and successful rate from recruitment services during the period. During the period, the Group was secured more recruitment service contracts from new customers and also closely negotiating with certain customers for the provision of recruitment and secondment services.

Prospects

Operational efficiency and increase its revenue growth will continue to be top priorities for the Group for 2023. In the coming year, the directors expect to be able to gain the benefits from its efforts spent on new products development and marketing promotion.

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

Alongside with the continuing evolution and modification of business strategies to develop our existing businesses, the Group will continue to seek optimisation of its business portfolio by adjusting it to adapt to the changing business climate, trend and environment, and at the same time proactively exploring and exploiting every potentially profitable business with the ultimate goal of developing its business to generate and maximize shareholders' value and return and maintain sustainable growth and prosperity.

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

As at 28 February 2023, the interests and short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long positions in shares

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

Long positions in underlying shares

a) *The Company:*

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

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

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

b) *Associated Corporation:*

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

Long positions in debentures

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

Short positions in shares

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

Short positions in underlying shares

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

Short positions in debentures

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

Save as disclosed above, as at 28 February 2023, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 28 February 2023, the following persons (other than the directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Long positions in shares

Name	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Maximizer International Limited	Beneficial owner	Corporate	339,499,095	71.35%
Pacific East Limited	Beneficial owner	Corporate	16,450,838	3.46%
DGM Trust Corporation <i>(Note)</i>	Trustee	Corporate	355,949,933	74.81%

Note:

DGM Trust Corporation is the trustee of The City Place Trust which wholly owns (a) Maximizer International Limited ("**MIL**"), which holds 71.35% interest in the Company and (b) Pacific East Limited, which holds 3.46% interest in the Company. The City Place Trust is a discretionary trust and its beneficiaries include certain family members of Mr. Kau Mo Hui, but does not include Mr. Joseph Chi Ho Hui or Ms. Clara Hiu Ling Lam or any of their respective spouses or minor child. Mr. Kau Mo Hui is the father of Mr. Joseph Chi Ho Hui, an executive director of the Company and Mr. Samson Chi Yang Hui, the chief executive officer of the Company. Mr. Kau Mo Hui is also the father-in-law of Ms. Clara Hiu Ling Lam, an executive director of the Company.

Long positions in underlying shares

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

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

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

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

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

Short positions in shares

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

Short positions in underlying shares

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

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

AUDIT COMMITTEE

Pursuant to the GEM Listing Rules, an audit committee was established on 22 January 2001, comprising three independent non-executive directors, namely Messrs. Kwong Sang Liu, Edwin Kim Ho Wong and William Keith Jacobsen. On 28 September 2004, Mr. Kwong Sang Liu was appointed as independent non-executive director and member of audit committee of the Company. On 29 August 2008, Mr. Edwin Kim Ho Wong was appointed as independent non-executive director and member of audit committee of the Company. Mr. William Keith Jacobsen was appointed as independent non-executive director and member of audit committee of the Company on 10 July 2009. Mr. Kwong Sang Liu is the chairman of the audit committee for the year.

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

During the three months ended 28 February 2023, the audit committee held a meeting for the purpose of reviewing the Company's reports and financial statements, and providing advice and recommendations to the board of directors. The minutes of the audit committee meeting are kept by the company secretary.

The Group's unaudited results for the three months ended 28 February 2023 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standard.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 28 February 2023, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

By order of the Board

Joseph Chi Ho Hui

Chairman

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

Mr. Joseph Chi Ho HUI	<i>(Executive Director)</i>
Ms. Clara Hiu Ling LAM	<i>(Executive Director)</i>
Mr. Kwong Sang LIU	<i>(Independent Non-executive Director)</i>
Mr. Edwin Kim Ho WONG	<i>(Independent Non-executive Director)</i>
Mr. William Keith JACOBSEN	<i>(Independent Non-executive Director)</i>

Hong Kong, 11 April 2023

This report will remain on the "Latest Listed Company Information" page of the Stock Exchange's website for at least 7 days from the day of its posting and the website of the Company at www.hklistco.com.