



Sinopharm Tech Holdings Limited 國藥科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8156)

INTERIM REPORT 2024/2025

CHARACTERISTICS OF GEM ("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 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.

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

*This report, for which the directors (the "**Directors**") of Sinopharm Tech Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*



INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

RESULTS

The board of Directors of the Company (the “**Board**”) announces that the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 December 2024 (the “**Period 2024**”), together with the selected comparative unaudited figures for the corresponding period in 2023 (the “**Period 2023**”), are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		(Unaudited) Six months ended 31 December	
	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	3	18,898	18,844
Costs of sales and services		(12,398)	(15,723)
Gross profit		6,500	3,121
Other income and gains	4	905	2,120
Selling and distribution expenses		(3,029)	(687)
Administrative and operating expenses		(5,451)	(4,904)
Operating loss		(1,075)	(350)
Finance costs	5	(3,383)	(1,889)
Loss before tax	6	(4,458)	(2,239)
Income tax credit/(expense)	7	10	—
Loss for the period		(4,448)	(2,239)
Loss for the period attributable to:			
Shareholders of the Company		(5,513)	(2,876)
Non-controlling interests		1,065	637
		(4,448)	(2,239)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		(Unaudited) Six months ended 31 December	
	Notes	2024 HK\$'000	2023 HK\$'000
Other comprehensive (expenses)/ income for the period, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of overseas operations		81	(1,076)
Total comprehensive (expenses)/ income for the period		(4,367)	(3,315)
Total comprehensive (expenses)/ income for the period attributable to:			
Shareholders of the Company		(5,746)	(4,151)
Non-controlling interests		1,379	836
		(4,367)	(3,315)
Loss per share attributable to ordinary shareholders of the Company	8		
Basic		HK(2.17) cents	HK(1.57) cents
Diluted		N/A	N/A

The accompanying notes on pages 7 to 23 form an integral part of this interim financial report.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
Non-current assets			
Property, plant and equipment	9	2,368	2,749
Right-of-use assets		770	1,133
Financial assets at fair value through profit or loss		2,540	2,540
		5,678	6,422
Current assets			
Inventories		16,546	3,537
Trade and other receivables and prepayments	10	19,111	31,891
Bank balances and cash		3,347	2,640
		39,004	38,068
Current liabilities			
Trade payables, accruals and other payables	11	52,669	51,229
Other borrowing		5,275	71,933
Convertible bonds	12	—	—
Amounts due to shareholders		4,529	125,489
Lease liabilities		605	670
Income tax payable		115	115
		63,193	249,436
Net current liabilities		(24,189)	(211,368)
Total assets less current liabilities		(18,511)	(204,946)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		148	653
Net liabilities		(18,659)	(205,599)
Capital and reserves			
Ordinary shares	13	7,921	57,404
Convertible preference shares	13	148,015	—
Reserves		(169,855)	(256,884)
Capital deficiency attributable to shareholders of the Company		(13,919)	(199,480)
Non-controlling interests		(4,740)	(6,119)
Total capital deficiency		(18,659)	(205,599)

The accompanying notes on pages 7 to 23 form an integral part of this interim financial report.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Equity attributable to shareholders of the Company												
									Retained			Non- controlling interests HK\$'000	Total HK\$'000
	Convertible	preference	Share premium HK\$'000	Capital	Share	Exchange reserve HK\$'000	Special reserve HK\$'000	Capital	(Accumulated	Sub-Total HK\$'000			
	Ordinary shares (Note 13) HK\$'000	shares (Note 13) HK\$'000		redemption reserve HK\$'000	option reserve HK\$'000			reserves (losses) HK\$'000	reserve HK\$'000				
At 1 July 2024 (audited)	57,404	—	2,703,996	1,484	1,882	(17)	(1)	28,633	(2,992,861)	(199,480)	(6,119)	(205,599)	
Loss for the period	—	—	—	—	—	—	—	—	(5,513)	(5,513)	1,065	(4,448)	
Exchange differences arising from translation of financial statements of overseas operations	—	—	—	—	—	(233)	—	—	—	(233)	314	81	
Total comprehensive (expenses)/income for the period	—	—	—	—	—	(233)	—	—	(5,513)	(5,746)	1,379	(4,367)	
Capital reorganisation (Note 13a)	(55,108)	—	—	—	—	—	—	—	55,108	—	—	—	
Recognition of equity-settled share-based payments	—	—	—	—	145	—	—	—	—	145	—	145	
Distribution to convertible preference shareholder	—	—	—	—	—	—	—	—	(954)	(954)	—	(954)	
Convertible preference shares issued on loan settlement (Note 13c)	—	148,015	—	—	—	—	—	—	—	148,015	—	148,015	
Ordinary shares issued on loan settlement (Note 13b)	5,625	—	38,476	—	—	—	—	—	—	44,101	—	44,101	
At 31 December 2024 (unaudited)	7,921	148,015	2,742,472	1,484	2,027	(250)	(1)	28,633	(2,944,220)	(13,919)	(4,740)	(18,659)	

For the six months ended 31 December 2023

	Equity attributable to shareholders of the Company											
	Ordinary shares (Note 13) HK\$'000	Convertible preference shares (Note 13) HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Sub-Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 July 2023 (audited)	57,404	—	2,703,996	1,484	1,739	7,776	(1)	28,633	(2,973,764)	(172,733)	(7,021)	(179,754)
(Loss)/Profit for the period	—	—	—	—	—	—	—	—	(2,876)	(2,876)	637	(2,239)
Exchange differences arising from translation of financial statements of overseas operations	—	—	—	—	—	(1,275)	—	—	—	(1,275)	199	(1,076)
Total comprehensive (expenses)/income for the period	—	—	—	—	—	(1,275)	—	—	(2,876)	(4,151)	836	(3,315)
Recognition of equity-settled share-based payments	—	—	—	—	560	—	—	—	—	560	—	560
Share option lapsed	—	—	—	—	(566)	—	—	—	566	—	—	—
At 31 December 2023 (unaudited)	57,404	—	2,703,996	1,484	1,733	6,501	(1)	28,633	(2,976,074)	(176,324)	(6,185)	(182,509)

The accompanying notes on pages 7 to 23 form an integral part of this interim financial report.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 31 December 2024*

	(Unaudited) Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Operating activities		
Cash used in operations	(784)	(1,331)
Interest received	3	14
Net cash used in operating activities	(781)	(1,317)
Net cash used in investing activities	—	—
Financing activities		
Interest paid	(1,512)	—
New other borrowings raised	3,000	10,000
Repayment of other borrowings	—	(1,729)
Net cash flow generated from financing activities	1,488	8,271
Net increase in cash and cash equivalents	707	6,954
Cash and cash equivalents at the beginning of the period	2,640	1,776
Effects of foreign exchange rate changes	—	(225)
Cash and cash equivalents at the end of the period, represented by cash and bank balances	3,347	8,505

The accompanying notes on pages 7 to 23 form an integral part of this interim financial report.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2024 have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

Except as described below, the principal accounting policies and methods of computation used in the preparation of the unaudited interim consolidated financial statements for the six months ended 31 December 2024 are consistent with the financial statements of the Group for the year ended 30 June 2024.

The Group has adopted all of the new and revised standards, amendments and interpretations which are relevant to its operations and effective for the accounting period beginning on 1 July 2024. The adoption of these new and revised standards, amendments and interpretation does not have significant impact on the accounting policies of the Group, and the amounts reported for the current period and prior periods.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

2. SEGMENT INFORMATION**(a) Segment revenue and results**

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

Six months ended 31 December 2024 (Unaudited)

	Lottery-related services HK\$'000	Internet Plus Solution services HK\$'000	Supply chain services HK\$'000	Manufacturing and distribution of personal protective equipment HK\$'000	Total HK\$'000
Segment revenue:					
Sales to external customers	—	—	18,898	—	18,898
Segment results	—	—	2,076	—	2,076
Unallocated income					905
Unallocated expenses					(4,056)
Finance costs					(3,383)
Loss before tax					(4,458)
Income tax credit					10
Loss for the period					(4,448)
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation and amortization	—	—	363	—	363

Six months ended 31 December 2023 (Unaudited)

	Lottery-related services HK\$'000	Internet Plus Solution services HK\$'000	Supply chain services HK\$'000	Manufacturing and distribution of personal protective equipment HK\$'000	Total HK\$'000
Segment revenue:					
Sales to external customers	—	—	18,844	—	18,844
Segment results	(54)	—	2,138	(38)	2,046
Unallocated income					2,120
Unallocated expenses					(4,516)
Finance costs					(1,889)
Loss before tax					(2,239)
Income tax expense					—
Loss for the period					(2,239)
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation and amortization	—	—	—	240	240

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

2. SEGMENT INFORMATION — CONTINUED**(b) Segment assets and liabilities**

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

As at 31 December 2024 (Unaudited)

	Supply chain services HK\$'000	Total HK\$'000
Assets		
Segment assets	36,005	36,005
Unallocated assets		8,677
Total assets		44,682
Liabilities		
Segment liabilities	53,355	53,355
Unallocated liabilities		9,986
Total liabilities		63,341

As at 30 June 2024 (Audited)

	Supply chain services HK\$'000	Total HK\$'000
Assets		
Segment assets	38,518	38,518
Unallocated assets		5,972
Total assets		44,490
Liabilities		
Segment liabilities	49,826	49,826
Unallocated liabilities		200,263
Total liabilities		250,089

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

3. REVENUE

The principal activities of the Group are provision of (i) Internet Plus solution services; (ii) supply chain services; and (iii) manufacturing and distribution of personal protective equipment.

Revenue represents income from the following services rendered by the Group, net of returns, discounts allowed or sales taxes:

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Point in time		
Supply chain services		
— Trading of goods	18,898	18,844

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

4. OTHER INCOME AND GAINS

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Gain on disposal of subsidiaries (<i>note a</i>)	—	2,023
Gain on settlement of loans by shares issued (<i>note b</i>)	900	—
Interest income	3	14
Others	2	83
	905	2,120

Notes:

- (a) On 24 October 2023, the Company disposed one of its subsidiary with the consideration of HK\$1 and net liability of HK\$2.0 million. As a result, the Company recorded a gain on disposal of HK\$2.0 million for the six months ended 31 December 2023.
- (b) On 14 June 2024, the Company entered into an agreement with connected persons who are substantial shareholders of the Company, pursuant to which the total outstanding balance of HK\$30,000,000 and HK\$15,000,000 due by the Company to Integrated Asset Management (Asia) Limited and Quantum Worldwide Investment Limited was settled which was satisfied by 300,000,000 and 150,000,000 new ordinary shares issued by the Company on 15 November 2024 respectively. The total fair value of the shares at the date of issue was estimated to be HK\$44,100,000 by reference to the closing share price of the Company's shares at that date. The gain on settlement, which represents the difference between the outstanding balance settled and the fair value of the new ordinary shares issued, amounted to HK\$900,000 which was charged to profit or loss in Period 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

5. FINANCE COSTS

	(Unaudited) Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Interest on:		
— Other borrowing	3,309	125
— Other payables	—	1,764
— Finance lease payment	74	—
	3,383	1,889

6. LOSS BEFORE TAX

	(Unaudited) Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Loss before tax has been arrived at after charging/(crediting):		
Cost of inventories sold	12,398	15,723
Equity-settled share-based payments	145	560
Depreciation of property, plant and equipment	363	240

7. INCOME TAX CREDIT/(EXPENSE)

For the six months ended 31 December 2024 and 31 December 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to the ordinary shareholders of the Company is based on the following data:

Loss

	(Unaudited) Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Loss for the period attributable to the shareholders of the Company	(5,513)	(2,876)
Less: Preferred distribution to the holder of convertible preference shares	(954)	—
Loss used in the basic loss per share calculation	<u>(6,467)</u>	<u>(2,876)</u>

Number of shares

	(Unaudited) Six months ended 31 December	
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>298,639</u>	<u>183,693</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>298,639</u>	<u>183,693</u>

For the six months ended 31 December 2024, outstanding share options of the Company have been anti-dilutive (Six months ended 31 December 2023: anti-dilutive) since their exercise or conversion would result in an decrease in loss per share (Six months ended 31 December 2023: decrease in loss per share).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

9. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Leasehold improvement HK\$'000	Motor vehicles HK\$'000	Computer equipment HK\$'000	Total HK\$'000
Carrying amount at 1 July 2024, net of accumulated depreciation (audited)	66	1,862	505	85	231	2,749
Additional for the period	—	—	—	—	—	—
Depreciation provided for the period	(4)	(231)	(62)	(10)	(56)	(363)
Exchange realignment	—	(9)	(6)	(1)	(2)	(18)
At 31 December 2024, net of accumulated depreciation (unaudited)	62	1,622	437	74	173	2,368

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
Trade receivables	15,262	22,442
Other receivables and prepayments	6,257	11,859
	21,519	34,301
Less: Allowances for doubtful receivables	(2,408)	(2,410)
	19,111	31,891

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS — CONTINUED

Payment terms with customers are mainly on credit. Invoices are normally payable within 30 to 180 days of issuance.

The following is an aged analysis of trade receivables at the end of the reporting period:

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
0 to 30 days	607	18,525
31 to 60 days	1,157	—
61 to 180 days	1,512	88
181 to 365 days	9,736	1,580
Over one year	2,250	2,249
	15,262	22,442

11. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
Trade payables	27,688	32,494
Accruals and other payables	24,981	18,735
	52,669	51,229

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

11. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES — CONTINUED

An aged analysis of the Group's trade payables at the end of the reporting period, based on the date of goods and services received, is as follows:

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
0–30 days	3,257	10,801
31–120 days	—	3,960
121–180 days	256	—
181–365 days	6,442	—
Over one year	17,733	17,733
	27,688	32,494

12. CONVERTIBLE BONDS

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
Creative Big Convertible bonds	—	—

On 30 August 2021, the Company issued the 7% convertible bonds due on 20 February 2023 (the “**Creative Big Convertible Bonds**”) with a principal amount of HK\$50,000,000, at 2% coupon interest rate to a third party, Expert Global Enterprises Limited, which is a wholly-owned subsidiary of Kingkey Financial International (Holdings) Limited (Stock Code: 1468).

Pursuant to the terms of the agreement for the Creative Big Convertible Bonds, the Creative Big Convertible Bonds, which would be matured on 20 February 2023, would be convertible into 172,413,793 new shares of the Company at the initial conversion price of HK\$0.29 per share, subject to adjustment.

The Creative Big Convertible Bonds contained liability and equity components. The effective interest rate of the liability component was 26.03% per annum. The equity component was presented under the equity heading of “Convertible Bonds Reserve”. The fair value of the liability component of the Creative Big Convertible Bonds was estimated to be HK\$39,733,000 at the issue date as valued by the external valuer based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

12. CONVERTIBLE BONDS — CONTINUED

Details of principal valuation parameters applied in determining the fair value of the Creative Big Convertible Bonds liability component was summarised as follows:

(a) Principal amount:	HK\$50,000,000
(b) Coupon rate:	7% per annum
(c) Maturity date:	20 February 2023
(d) Conversion price:	HK\$0.29
(e) Risk-free rate:	0.096%
(f) Expected volatility:	73.19%
(g) Expected dividend yield:	0%

On 5 December 2022, Expert Global Enterprises Limited transferred the Creative Big Convertible Bonds to Creative Big.

The Creative Big Convertible Bonds were matured on 20 February 2023 and the Creative Big Convertible Bonds were not repaid or converted into shares of the Company upon their maturity on 20 February 2023. In view of this circumstance, the Creative Big Convertible Bonds, together with the accrued interests were overdue and would be immediately repayable if and when requested by Creative Big. In this respect, the total outstanding principal amount of the Creative Big Convertible Bonds of HK\$50,000,000 and the related accrued interests of HK\$1,750,000 was reclassified to “Other borrowings” as at 30 June 2024.

The Creative Big Loan Capitalisation Agreement and the transactions contemplated thereunder were approved by way of ordinary resolution at the extraordinary general meeting of the Company on 8 August 2024. All of the conditions precedent under the Creative Big Loan Capitalisation Agreement have been fulfilled and the completion took place on 15 November 2024.

Upon the completion of the Creative Big Loan Capitalisation Agreement, 547,609,590 Creative Big CPSs at HK\$0.1 per CPS were allotted and issued to Creative Big, the subscription price of which was satisfied by offsetting the full amount of the Creative Big Debt. Upon completion of the Creative Big Loan Capitalisation Agreement, the Creative Big Debt has been fully repaid and the Company has been released from its obligations under the Creative Big Debt.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares		
At 1 July 2024 (audited) (HK\$0.3125 each)	640,000	200,000
Add: Capital reorganisation (<i>note a</i>)	15,360,000	—
Less: Restructure into convertible preference shares (<i>note a</i>)	<u>(3,200,000)</u>	<u>(40,000)</u>
At 31 December 2024 (HK\$0.0125 each)	<u>12,800,000</u>	<u>160,000</u>
Convertible preference shares of HK\$0.0125 each (<i>note d</i>)		
At 1 July 2024 (audited)	—	—
Add: Restructure into convertible preference shares (<i>note a</i>)	<u>3,200,000</u>	<u>40,000</u>
At 31 December 2024	<u>3,200,000</u>	<u>40,000</u>
Total		
At 1 July 2024	<u>640,000</u>	<u>200,000</u>
At 31 December 2024	<u>16,000,000</u>	<u>200,000</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL — CONTINUED

	Number of shares '000	Amount HK\$'000
Issued and fully paid:		
Ordinary shares		
At 1 July 2024 (audited) (HK\$0.3125 each)	183,693	57,404
Less: Capital reorganisation (<i>note a</i>)	—	(55,108)
Add: Issuance of ordinary shares (<i>note b</i>)	<u>450,000</u>	<u>5,625</u>
At 31 December 2024 (HK\$0.0125 each)	<u>633,693</u>	<u>7,921</u>
Convertible preference shares of HK\$0.0125 issued at HK\$0.1 each (<i>note d</i>)		
At 1 July 2024 (audited)	—	—
Add: Issuance of convertible preference shares (<i>note c</i>)	<u>1,480,151</u>	<u>148,015</u>
At 31 December 2024	<u>1,480,151</u>	<u>148,015</u>
Total		
At 1 July 2024	<u>183,693</u>	<u>57,404</u>
At 31 December 2024	<u>2,113,844</u>	<u>155,936</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL — CONTINUED

Notes:

- (a) The capital reorganisation (the “**Capital Reorganisation**”) consisting of the reduction of the par value of each issued share from HK\$0.3125 to HK\$0.0125 by cancelling the paid-up share capital to the extent of HK\$0.3 per issued share and the sub-division of each of the authorised but unissued shares with par value of HK\$0.3125 each into 25 authorised but unissued new shares with par value of HK\$0.0125 each, was approved by the Shareholders by way of special resolution at the extraordinary general meeting of the Company on 8 August 2024 and became effective on 6 November 2024 after fulfillment of other conditions for completion of the Capital Reorganisation. The authorized share capital of the Company remained at HK\$200,000,000 but was divided into 12,800,000,000 ordinary shares of par value of HK\$0.0125 each and 3,200,000,000 non-voting convertible preference shares of par value of HK\$0.0125 each.
- (b) The IAM Loan Capitalisation Agreement, the Quantum Loan Capitalisation Agreement and the transactions contemplated thereunder were approved by way of ordinary resolutions at the extraordinary general meeting of the Company on 8 August 2024. All of the conditions precedent under the IAM Loan Capitalisation Agreement and the Quantum Loan Capitalisation Agreement have been fulfilled and the completion took place on 15 November 2024 (the “**Completion Date**”).

Upon the completion of the IAM Loan Capitalisation Agreement, 300,000,000 IAM Shares at HK\$0.1 per ordinary share of the Company were allotted and issued to IAM, the subscription price of which was satisfied by offsetting HK\$30,000,000 of the IAM Debt. Upon completion of the IAM Loan Capitalisation Agreement, the IAM Debt has been fully repaid and the Company has been released from its obligations under the IAM Debt.

Upon the completion of the Quantum Loan Capitalisation Agreement, 150,000,000 Quantum Shares at HK\$0.1 per ordinary share of the Company were allotted and issued to Quantum, the subscription price of which was satisfied by offsetting the full amount of the Quantum Debt. Upon completion of the Quantum Loan Capitalisation Agreement, the Quantum Debt has been fully repaid and the Company has been released from its obligations under the Quantum Debt.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL — CONTINUED*Notes: — CONTINUED*

- (c) The Creative Big Loan Capitalisation Agreement, the IAM Loan Capitalisation Agreement and the transactions contemplated thereunder were approved by way of ordinary resolution at the extraordinary general meeting of the Company on 8 August 2024. All of the conditions precedent under the Creative Big Loan Capitalisation Agreement and the IAM Loan Capitalisation Agreement have been fulfilled and the completion took place on 15 November 2024.

Upon the completion of the Creative Big Loan Capitalisation Agreement, 547,609,590 Creative Big CPSs at HK\$0.1 per CPS were allotted and issued to Creative Big, the subscription price of which was satisfied by offsetting the full amount of the Creative Big Debt. Upon completion of the Creative Big Loan Capitalisation Agreement, the Creative Big Debt has been fully repaid and the Company has been released from its obligations under the Creative Big Debt.

Upon the completion of the IAM Loan Capitalisation Agreement, 932,541,460 IAM CPSs at HK\$0.1 per CPS were allotted and issued to IAM, the subscription price of which was satisfied by offsetting the remaining balance of the IAM Debt of approximately HK\$93,254,146.

- (d) Convertible Preference Shares (the “**CPS(s)**”)

Allotment and issue of the 1,480,151,050 non-voting CPSs were completed on 15 November 2024 (the “**Date of Issue**”). The CPSs shall be convertible at the option of the holder(s) during the period of 10 years starting from the Date of Issue and ending on the 10th anniversary of the Date of Issue (the “**Conversion Period**”) without the payment of any additional consideration therefor, into such number of fully-paid ordinary shares as determined in accordance with the ratio of 1: 1. Any CPS that has not been converted, redeemed or cancelled during the Conversion Period shall remain as preference shares in the share capital of the Company. The CPSs are perpetual and have no maturity date and interest rate. The subscription price was HK\$0.1 per CPS (which is not subject to any adjustment). The Company may, at any time at its sole discretion, by written notice of not less than 10 days to the holders of CPSs whose CPSs are to be redeemed and subject to compliance with the articles of association of the Company and the Companies Act of the Cayman Islands, request to redeem part or all of the CPSs at a price equivalent to the subscription price of such CPSs, so long as such CPSs have not been previously converted, redeemed or cancelled. The holders of CPSs do not have any right to request or demand the Company to redeem any CPSs.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL — CONTINUED*Notes: — CONTINUED*

(d) — CONTINUED

Conversion of the CPSs to ordinary shares of the Company (the “**Ordinary Shares**”) shall be subject to (i) the condition that any CPSs holders and/or the parties acting in concert with any of them and/or their respective associates being interested in such issued share capital of the Company will not trigger a mandatory general offer obligation under Rule 26 of the Codes on Takeovers and Mergers (the “**Takeovers Code**”) upon exercise of the conversion rights of the CPSs, except that the relevant whitewash waiver for making such mandatory general offer has been granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (the “**SFC**”) pursuant to the Takeovers Code; (ii) the compliance of all requirements imposed by the Stock Exchange and/or the SFC in relation to the allotment and issue of any new Ordinary Shares due to conversion, whether under the GEM Listing Rules, the Takeovers Code or otherwise; (iii) the approval by the Stock Exchange of the listing of, and permission to deal in, the new Ordinary Shares arising from conversion; and (iv) the condition that the conversion of the CPSs to Ordinary Shares shall not reduce the public float of the Shares to less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares in breach of the public float requirement. The relevant whitewash waiver in the condition (i) above has been granted by the SFC and the condition (ii) above has been fulfilled before the Date of Issue.

During the first five years from the Date of Issue, each holder of issued CPS has the right to receive a preferred distribution at the fixed rate of 5.0% per annum on the aggregate issue price of the CPSs paid by the initial subscriber for its initial subscription, payable annually in arrears on each anniversary of the Date of Issue until the 5th anniversary of the Date of Issue (each, an “**Annual Payment Date**”), subject to the sole discretion of the Company to defer any such payment for a maximum period of 10 years from the date when such payment falls due by giving written notice to the holders of CPSs prior to the relevant Annual Payment Date. Each of such preferred distribution is cumulative. The holders of CPSs do not have any right to receive any preferred distribution after the 5th anniversary of the Date of Issue, except for any unpaid distribution accrued during the first five anniversary years.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

13. SHARE CAPITAL — CONTINUED*Notes: — CONTINUED*

(d) — CONTINUED

If the Board elects to defer a preferred distribution, the Company shall not (i) pay any dividends, distributions or make any other payment on any Ordinary Shares or (ii) redeem, cancel, repurchase or acquire for any consideration any other Ordinary Shares, unless at the same time it pays to the holders of the CPSs any deferred or declared but unpaid preferred distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments on such Ordinary Shares are made. Other than the preferred distribution as mentioned above, the holders of CPSs have no right to receive any dividend or distribution prior to its conversion into Ordinary Shares.

14. RELATED PARTY TRANSACTIONS**Compensation of directors and key management personnel**

The remuneration of directors and other members of key management during the six months ended 31 December 2024 was as follows:

	(Unaudited) Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Short-term benefits	1,120	1,367
Post-employment benefits	—	—
	1,120	1,367

The remuneration of directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

15. EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any material event affecting the Group since the end of the Period 2024 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The principal activities of the Group are provision of (i) Internet Plus solution services; (ii) supply chain services; and (iii) manufacturing and distribution of personal protective equipment.

For the Period 2024, the Group recorded unaudited consolidated revenue of HK\$18.9 million, increased by 1% against the Period 2023 of HK\$18.8 million. The gross profit ratio increased to about 34% as compared with 17% for the Period 2023. For the Period 2024, the Group recorded a loss attributable to the shareholders of HK\$5.5 million, as compared with the Group recorded a loss attributable to the shareholders of HK\$2.9 million for the Period 2023. Selling and distribution expenses and administrative expenses in the Period 2024 amounted to HK\$8.5 million, which increased by 52% as compared to HK\$5.6 million in the Period 2023.

SEGMENTAL INFORMATION

In the supply chain services business, the revenue recorded HK\$18.9 million, representing an increase of 1% over the same period in 2023. The gross profit recorded HK\$6.5 million with the margin of 34% for the reporting period comparing with 17% for the same period in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group continued to accelerate its deployment in the healthcare industry and supply chain business. Through its subsidiaries in the PRC, the Group strengthened the relevant deployment in respect of the development of the distribution of Chinese patent medicine and health products, which provides a stable revenue stream to the Group and broadens its business development scope. The Group has continued to develop its supply chain business and achieved a progress during the year under review. Additionally, the Group increased its investment in regional development for domestic operations, including expanding the geographical reach of its products and enhancing discussions with national customers on feasible cooperation models, thereby offering high-quality and efficient value-added services to operators and merchants across various industries. This initiative brings new development opportunities for the Group in the supply chain services and healthcare industry business and marks the acceleration of the Group's development in these businesses.

"Internet Plus" Solution Services Business

The Company will continue to explore the prospects of the Internet plus solution services business and make timely adjustments. During the period under review, the Group did not generate revenue from the provision of Internet plus solution services.

Supply Chain Services Business

During the period under review, the supply chain business still provided the major revenue for the Group. The Group has continued to enhance its supply chain services for big health products through obtaining relevant product agency rights within the scope of the existing supply chain business and in the newly covered regions of service. Leveraging its years of experience and strengths in supply chain business as well as materials sourcing, the Company provides timely supply chain services to its customers.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group expanded its business through its subsidiary in the PRC to develop the distribution of Chinese patent medicine and big health products. Leveraging years of experience and networks in the supply chain business, the Group has laid a solid foundation for the distribution of Chinese patent medicine and big health products and accelerated the mutual delivery and supply chain services among various provinces and cities in the PRC. Meanwhile, the Group strengthened the national sales channel for the product, serving the strategic deploy of enriching the products list. As the Group focuses on the development of the supply chain service in healthcare industry, the Group has cooperated with the product brands, understood customers' demands for related products, and provided appropriate market analysis information and in-depth insights into the healthcare market, which will help accelerate the business development and momentum. On the other hand, the Group continues to maintain business development by setting up service agreements with platform operators in Mainland China. Through various platforms of the operators, the Group provided one-stop product supply chain services.

PERSONAL PROTECTIVE EQUIPMENT BUSINESS

During the period under review, the market demand for personal protective equipment decreased due to the resumption of social activities. In light of this, the Group has reallocated its resources to exit from the development of the personal protective equipment business and at the same time increase its investment in the supply chain services for the healthcare industry.

FUTURE OUTLOOK

The Group is constantly focusing on the supply chain business and big health products. Leveraging its years of experience in supply chain services as well as its co-operative relationships with various platform operators, the Group is well-positioned for significant growth in both supply chain services and the healthcare industry. Currently, the Group is in discussions with various product brands to broaden their product offerings. This strategic move aims to support the Group's anticipated increase in marketing initiatives and the expansion of marketing channels, enabling the Group to explore new markets and unlock fresh development opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, the Group is focusing on business explorations in the healthcare industry chain, involving the entire business process of production, distribution and supply chain of big health products, with a view to exploring new opportunities in the healthcare industry and bringing new sources of revenue for the Group. The Group will consider conducting feasibility studies on other segments of the healthcare industry. In addition, the Group is also engaging with industry players to explore potential collaborations and conducting relevant business analyses, including joint venture and other cooperation models, so as to create new growth opportunities for the Group.

During the period under review, the Group completed the loan capitalisation with its major creditors, which indicated that the Group has strengthened capital structure and reduced debt exposure, thus laying a sound and solid foundation for its business development in the future.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2024, the Group's bank balances and cash amounted to HK\$3.3 million (30 June 2024: HK\$2.6 million) which were mainly held in HK\$ and RMB. Current assets amounted to HK\$39.0 million (30 June 2024: HK\$38.1 million), mainly comprising of inventories, trade and other receivables and prepayment, bank balance and cash. Current liabilities amounted to HK\$63.2 million (30 June 2024: HK\$249.4 million), mainly comprising of trade payables, accruals and other payables, amounts due to a shareholder and other borrowing. As at 31 December 2024, the gearing ratio of the Group was 12% on the basis of the Group's total interest-bearing borrowings divided by total assets (30 June 2024: 162%).

FOREIGN EXCHANGE EXPOSURE

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are settled in Hong Kong dollars ("**HK\$**"), Renminbi ("**RMB**") or United States dollars ("**US\$**"). The Group's major investment and financing strategies are to invest in domestic projects in the PRC by RMB, HK\$ and US\$ borrowings. As the exchange rate of RMB against HK\$ is relatively stable and the Group's operating income is substantially denominated in RMB, the Group did not perform any foreign currency hedging activities during the period. Nevertheless, the Group will from time to time review and adjust the Group's investment and financing strategies based on the RMB, US\$ and HK\$ exchange rate movement.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Company had no contingent liabilities as at 31 December 2024 (30 June 2024: Nil). No assets of the Group was pledged as securities to any third parties as at 31 December 2024 (30 June 2024: Nil).

COMMITMENTS

The Group had capital commitments of HK\$Nil and operating lease commitments as lessee of HK\$Nil from operations as at 31 December 2024 (30 June 2024: capital commitments of HK\$Nil and operating lease commitments of HK\$Nil respectively).

DIVIDEND

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

CAPITAL STRUCTURE

During the reporting period, the capital structure of the Group consisted of cash and cash equivalents and equity attributable to holders of the Company, comprising issued share capital and reserves. As at 31 December 2024, the total number of issued shares of the Company was 633,693,055 ordinary shares of par value of HK\$0.0125 each (the “**Share(s)**”) and 1,480,151,050 non-voting convertible preference shares of par value of HK\$0.0125 each.

Capital Reorganisation

The capital reorganisation (the “**Capital Reorganisation**”) consisting of the reduction of the par value of each issued share from HK\$0.3125 to HK\$0.0125 by cancelling the paid-up share capital to the extent of HK\$0.3 per issued share and the sub-division of each of the authorised but unissued shares with par value of HK\$0.3125 each into 25 authorised but unissued new shares with par value of HK\$0.0125 each, was approved by the Shareholders by way of special resolution at the extraordinary general meeting of the Company on 8 August 2024 and became effective on 6 November 2024 after fulfillment of other conditions for completion of the Capital Reorganisation. The authorized share capital of the Company remained at HK\$200,000,000 but was divided into 12,800,000,000 ordinary shares of par value of HK\$0.0125 each and 3,200,000,000 non-voting convertible preference shares of par value of HK\$0.0125 each.

MANAGEMENT DISCUSSION AND ANALYSIS

Convertible Preference Shares (the “CPS(s)”)

Allotment and issue of the 1,480,151,050 non-voting CPSs were completed on 15 November 2024 (the “**Date of Issue**”). The CPSs shall be convertible at the option of the holder(s) during the period of 10 years starting from the Date of Issue and ending on the 10th anniversary of the Date of Issue (the “**Conversion Period**”) without the payment of any additional consideration therefor, into such number of fully-paid ordinary shares as determined in accordance with the ratio of 1: 1. Any CPS that has not been converted, redeemed or cancelled during the Conversion Period shall remain as preference shares in the share capital of the Company. The CPSs are perpetual and have no maturity date and interest rate. The subscription price was HK\$0.1 per CPS (which is not subject to any adjustment). The Company may, at any time at its sole discretion, by written notice of not less than 10 days to the holders of CPSs whose CPSs are to be redeemed and subject to compliance with the articles of association of the Company and the Companies Act of the Cayman Islands, request to redeem part or all of the CPSs at a price equivalent to the subscription price of such CPSs, so long as such CPSs have not been previously converted, redeemed or cancelled. The holders of CPSs do not have any right to request or demand the Company to redeem any CPSs.

Conversion of the CPSs to ordinary shares of the Company (the “**Ordinary Shares**”) shall be subject to (i) the condition that any CPSs holders and/or the parties acting in concert with any of them and/or their respective associates being interested in such issued share capital of the Company will not trigger a mandatory general offer obligation under Rule 26 of the Codes on Takeovers and Mergers (the “**Takeovers Code**”) upon exercise of the conversion rights of the CPSs, except that the relevant whitewash waiver for making such mandatory general offer has been granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (the “**SFC**”) pursuant to the Takeovers Code; (ii) the compliance of all requirements imposed by the Stock Exchange and/or the SFC in relation to the allotment and issue of any new Ordinary Shares due to conversion, whether under the GEM Listing Rules, the Takeovers Code or otherwise; (iii) the approval by the Stock Exchange of the listing of, and permission to deal in, the new Ordinary Shares arising from conversion; and (iv) the condition that the conversion of the CPSs to Ordinary Shares shall not reduce the public float of the Shares to less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares in breach of the public float requirement. The relevant whitewash waiver in the condition (i) above has been granted by the SFC and the condition (ii) above has been fulfilled before the Date of Issue.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first five years from the Date of Issue, each holder of issued CPS has the right to receive a preferred distribution at the fixed rate of 5.0% per annum on the aggregate issue price of the CPSs paid by the initial subscriber for its initial subscription, payable annually in arrears on each anniversary of the Date of Issue until the 5th anniversary of the Date of Issue (each, an **“Annual Payment Date”**), subject to the sole discretion of the Company to defer any such payment for a maximum period of 10 years from the date when such payment falls due by giving written notice to the holders of CPSs prior to the relevant Annual Payment Date. Each of such preferred distribution is cumulative. The holders of CPSs do not have any right to receive any preferred distribution after the 5th anniversary of the Date of Issue, except for any unpaid distribution accrued during the first five anniversary years.

If the Board elects to defer a preferred distribution, the Company shall not (i) pay any dividends, distributions or make any other payment on any Ordinary Shares or (ii) redeem, cancel, repurchase or acquire for any consideration any other Ordinary Shares, unless at the same time it pays to the holders of the CPSs any deferred or declared but unpaid preferred distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments on such Ordinary Shares are made. Other than the preferred distribution as mentioned above, the holders of CPSs have no right to receive any dividend or distribution prior to its conversion into Ordinary Shares.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 31 December 2024, the Group did not make any significant investment or material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Directors currently do not have any future plans for material investments or capital assets. The management will continue to monitor the industry and review its business expansion plans at regular intervals, so as to take necessary measures in the best interests of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 30 (30 June 2024: 33) employees in Hong Kong and the PRC, including the Directors.

Employees' remunerations are determined with reference to their performance, qualifications, experience, positions and the market trend. Apart from the basic salary and participation in the mandatory provident fund scheme and staff benefits including medical and training programs, share options may be granted to individual employees based on performance evaluation in order to provide incentives and rewards.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed above, there has been no important event affecting the Group since the end of the six months ended 31 December 2024.

GENERAL INFORMATION

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

As at 31 December 2024, the interests and short positions of the Directors and chief executive in the ordinary share(s) of par value of HK\$0.0125 each in the share capital of the Company (the "**Share(s)**"), 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 (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 they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the Shares of the Company or Any of Its Associated Corporation

Name of Directors	The Company/ Name of Associated Corporation	Interest in Controlled Corporation	Number of Shares Held				Approximate Percentage of Shareholding
			Personal Interest (ordinary shares)	Personal Interest (underlying shares) (Note)	Interest of Spouse	Total Interest	
Mr. HO Kam Kin	The Company	—	—	1,600,000	—	1,600,000	0.25%
Ms. KWOK Shuk Yi	The Company	—	—	1,600,000	—	1,600,000	0.25%
Dr. CHENG Yanjie	The Company	—	78,600	160,000	—	238,600	0.04%
Mr. LAU Fai Lawrence	The Company	—	—	160,000	—	160,000	0.03%

Note: These share options were granted by the Company on 28 December 2022 under the share option scheme adopted by the Company on 9 June 2021.

GENERAL INFORMATION

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation” above, at no time during the period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company to acquire benefits by means of acquisition of the Shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executive or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended 31 December 2024.

GENERAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as follows:

Long Positions in the Shares

Name of Shareholders	Capacity	Number of Shares Held	Approximate Percentage of the Shareholding
Integrated Asset Management (Asia) Limited (" Integrated Asset ") & its concert parties (<i>Note 1</i>)	Beneficial Owner	321,694,520	50.77%
Quantum Worldwide Investment Limited (" Quantum ") (<i>Note 2</i>)	Beneficial Owner	150,000,000	23.67%

Notes:

1. Integrated Asset, which was also interested in 932,541,460 non-voting convertible preference shares of the Company, was wholly owned by Mr. YAM Tak Cheung.
2. Quantum was wholly owned by Mr. YAM Tak Cheung.

Save as disclosed above, as at 31 December 2024, the Directors or chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

GENERAL INFORMATION

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 9 June 2021 under which the Board may, at its discretion, invite eligible persons to take up share options to subscribe for the Shares. The purpose of the Share Option Scheme is to enable the Group to grant the share options to selected eligible persons (the “**Eligible Persons**”) as incentives or rewards for their contribution to the Group. The Share Option Scheme will provide the Eligible Persons with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives: (i) motivate the Eligible Persons (in case of the Eligible Employees, as defined below) to optimise their performance and efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain ongoing business relationship with the Eligible Persons (in case of the Eligible Consultants, as defined below) whose contributions are, will be or are expected to be beneficial to the Group; and (iii) align the interests of the Eligible Persons with the Shareholders. Eligible persons shall include any employee and any Director (including executive, non-executive and independent non-executive Directors) (collectively, the “**Eligible Employee(s)**”) and any consultant (collectively, the “**Eligible Consultant(s)**”) of the Company or of any subsidiary of the Company or such other persons who, at the sole determination of the Board, have contributed to the Group at the time when an option is granted to such persons. The Share Option Scheme will remain valid for a period of 10 years commencing from the date of its adoption.

The number of share options available for grant under the scheme mandate at the beginning and the end of the six months ended 31 December 2024 was 10,341,507 and 10,341,507 respectively. The number of Shares that may be issued in respect of the share options granted under all share option schemes of the Company during the six months ended 31 December 2024 (assuming to take the average of the opening balance and closing balance) divided by the weighted average number of Shares in issue for the six months ended 31 December 2024 was 0.0167.

GENERAL INFORMATION

The details of the movements in share options under the Share Option Scheme during the six months ended 31 December 2024 were as follows:

					Number of Share Options <i>(Note)</i>					
Name/Category of Participants	Grant Date	Exercise Price per Share (HK\$) <i>(Note)</i>	Vesting Period	Exercise Period	As at 1 July 2024	Granted	Exercised	Cancelled	Lapsed	As at 31 December 2024
Directors										
Mr. HO Kam Kin	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	640,000	—	—	—	—	640,000
	28/12/2022	1.00	28/12/2022–30/06/2024	01/07/2024–30/06/2028	480,000	—	—	—	—	480,000
	28/12/2022	1.00	28/12/2022–30/06/2025	01/07/2025–30/06/2028	480,000	—	—	—	—	480,000
Ms. KWOK Shuk Yi	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	640,000	—	—	—	—	640,000
	28/12/2022	1.00	28/12/2022–30/06/2024	01/07/2024–30/06/2028	480,000	—	—	—	—	480,000
	28/12/2022	1.00	28/12/2022–30/06/2025	01/07/2025–30/06/2028	480,000	—	—	—	—	480,000
Dr. CHENG Yanjie	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	64,000	—	—	—	—	64,000
	28/12/2022	1.00	28/12/2022–30/06/2024	01/07/2024–30/06/2028	48,000	—	—	—	—	48,000
	28/12/2022	1.00	28/12/2022–30/06/2025	01/07/2025–30/06/2028	48,000	—	—	—	—	48,000
Mr. LAU Fai Lawrence	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	64,000	—	—	—	—	64,000
	28/12/2022	1.00	28/12/2022–30/06/2024	01/07/2024–30/06/2028	48,000	—	—	—	—	48,000
	28/12/2022	1.00	28/12/2022–30/06/2025	01/07/2025–30/06/2028	48,000	—	—	—	—	48,000
Sub-total					3,520,000	—	—	—	—	3,520,000
Employees										
	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	1,328,000	—	—	—	—	1,328,000
	28/12/2022	1.00	28/12/2022–30/06/2024	01/07/2024–30/06/2028	996,000	—	—	—	—	996,000
	28/12/2022	1.00	28/12/2022–30/06/2025	01/07/2025–30/06/2028	996,000	—	—	—	—	996,000
	28/12/2022	1.00	28/12/2022–30/06/2023	01/07/2023–30/06/2028	100,000	—	—	—	—	100,000
	28/12/2022	1.00	28/12/2022–31/12/2023	01/01/2024–30/06/2028	100,000	—	—	—	—	100,000
Sub-total					3,520,000	—	—	—	—	3,520,000
Total					7,040,000	—	—	—	—	7,040,000

Note:

In accordance with the Share Option Scheme, the exercise price and the number of share options were adjusted on 29 August 2023 as a result of the share consolidation of every twenty five (25) issued and unissued ordinary shares with a par value of HK\$0.0125 each in the share capital of the Company into one (1) ordinary share with a par value of HK\$0.3125 approved at the extraordinary general meeting of the Company held on 25 August 2023 and effective from 29 August 2023. Thereafter, the exercise price and the number of share options remained unchanged even after the Capital Reorganisation, consisting of the reduction of the par value of each issued share from HK\$0.3125 to HK\$0.0125 by cancelling the paid-up share capital to the extent of HK\$0.3 per issued share and the subdivision of each of the authorised but unissued shares with par value of HK\$0.3125 each into 25 authorised but unissued new shares with par value of HK\$0.0125 each, became effective on 6 November 2024.

GENERAL INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares.

CONNECTED TRANSACTIONS: LOAN CAPITALISATION INVOLVING ISSUE OF ORDINARY SHARES AND CONVERTIBLE PREFERENCE SHARES UNDER CONNECTED SPECIFIC MANDATE

On 14 June 2024 (after trading hours of the Stock Exchange), the Company and Integrated Asset Management (Asia) Limited ("**IAM**") entered into a loan capitalisation agreement (the "**IAM Loan Capitalisation Agreement**"), pursuant to which the Company has conditionally agreed to allot and issue, and IAM has conditionally agreed to subscribe for, (i) 300,000,000 ordinary shares of the Company (the "**IAM Shares**") at the subscription price of HK\$0.1 per ordinary share of the Company, the same of which shall be satisfied by offsetting HK\$30,000,000 of the total amount of HK\$123,254,146, being the outstanding principal and accrued interests under the convertible bonds held by IAM up to 31 December 2023 (the "**IAM Debt**"); and (ii) 932,541,460 non-voting convertible preference share(s) of the Company (the "**IAM CPSs**") at the subscription price of HK\$0.1 per CPS, the same of which shall be satisfied by offsetting the remaining balance of the IAM Debt of approximately HK\$93,254,146 (the "**IAM Loan Capitalisation**"). Upon completion of the IAM Loan Capitalisation, the IAM Debt shall be deemed to have been fully repaid and the Company shall be released from its obligations under the IAM Debt. The interests for the period from 1 January 2024 up to the date of the completion of the IAM Loan Capitalisation shall be settled in cash by the Company's internal resources within 12 months from the date of the completion of the IAM Loan Capitalisation or any other date to be agreed by both parties in writing.

On 14 June 2024 (after trading hours of the Stock Exchange), the Company and Quantum Worldwide Investment Limited ("**Quantum**") entered into a loan capitalisation agreement (the "**Quantum Loan Capitalisation Agreement**"), pursuant to which the Company has conditionally agreed to allot and issue, and Quantum has conditionally agreed to subscribe for 150,000,000 ordinary shares of the Company (the "**Quantum Shares**") at the subscription price of HK\$0.1 per ordinary share of the Company, the same of which shall be satisfied by offsetting the full amount of HK\$15,000,000, being the outstanding principal under a loan agreement dated 8 November 2023 entered into between the Company as borrower and Quantum as lender for a term loan facility of HK\$20,000,000 to the Company (the "**Quantum**

GENERAL INFORMATION

Debt”) (the **“Quantum Loan Capitalisation”**). Upon completion of the Quantum Loan Capitalisation, the Quantum Debt shall be deemed to have been fully repaid and the Company shall be released from its obligations under the Quantum Debt. The outstanding interest accrued from the Quantum Debt under the Quantum Loan Capitalisation Agreement shall be paid on such date and by such means to be agreed by the Company and Quantum. The outstanding interests shall be settled in cash by the Company’s internal resources.

Completion of the IAM Loan Capitalisation Agreement and the Quantum Loan Capitalisation Agreement are inter-conditional with each other.

The Directors considered that the Loan Capitalisation (including the IAM Loan Capitalisation, Quantum Loan Capitalisation and the Creative Big Loan Capitalisation, details of the Creative Big Loan Capitalisation can be referred to the paragraphs headed **“LOAN CAPITALISATION INVOLVING ISSUE OF CONVERTIBLE PREFERENCE SHARES UNDER SPECIFIC MANDATE”** in the Directors’ Report on page 41) (i) would reduce the Group’s debt level and improve its deficit position by approximately HK\$193.0 million upon completion of the Loan Capitalisation; (ii) would improve the Group’s gearing ratio due to the reduction of debt level by approximately HK\$193.0 million; and (iii) would eliminate the interest burden of the Company from the relevant debts. Moreover, the Company would be in a better position to focus on its business operation and capture future fund raising opportunities.

The 300,000,000 IAM Shares, the 932,541,460 IAM CPSs and the 150,000,000 Quantum Shares have an aggregate nominal value of approximately HK\$3,750,000, HK\$11,656,768 and HK\$1,875,000 respectively (after taking into account the effect of the Capital Reorganisation). The net issue price per IAM Share, Quantum Share and IAM CPS was approximately HK\$0.1. As at 14 June 2024, being the date of the IAM Loan Capitalisation Agreement and Quantum Loan Capitalisation Agreement, the closing price of the shares of the Company as quoted on the Stock Exchange was HK\$0.123.

As at 14 June 2024, IAM is interested in 21,694,520 ordinary shares of the Company, representing approximately 11.8% of the total issued share capital of the Company, and is a substantial shareholder of the Company. Both IAM and Quantum are wholly and beneficially owned by Mr. YAM Tak Cheung. Save for the above, Mr. YAM Tak Cheung does not have any other shareholding interest in the Company. Pursuant to Chapter 20 of the GEM Listing Rules, IAM and Quantum are connected persons of the Company. Accordingly, the IAM Loan Capitalisation Agreement, the Quantum Loan

GENERAL INFORMATION

Capitalisation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

The settlement arrangement of the respective interests incurred or to be incurred under the IAM Loan Capitalisation Agreement and the Quantum Loan Capitalisation Agreement represent financial assistance received by the Group, which were on normal commercial terms or better and were not secured by the assets of the Group. Such financial assistance was fully exempt from Independent Shareholders' approval, annual review and all disclosure requirements for connected transactions under Rule 20.88 of the GEM Listing Rules.

Under Rule 26.1 of the Codes on Takeovers and Mergers and Share Buy-backs (the **"Takeovers Code"**), the allotment and issue of IAM Shares and Quantum Shares to IAM and Quantum would give rise to an obligation on IAM to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by IAM and its concert parties), unless a waiver (the **"Whitewash Waiver"**) is granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director (the **"Executive"**).

An application has been made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (a) the approval by at least 75% of the votes cast by the Independent Shareholders either in person or by proxy at the extraordinary general meeting of the Company (the **"EGM"**) by way of poll in respect of the Whitewash Waiver; and (b) the approval by more than 50% of the votes cast by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Capital Reorganisation, the IAM Loan Capitalisation and the Quantum Loan Capitalisation.

The IAM Loan Capitalisation Agreement, the Quantum Loan Capitalisation Agreement and the transactions contemplated thereunder were approved by way of ordinary resolutions at the extraordinary general meeting of the Company on 8 August 2024. All of the conditions precedent under the IAM Loan Capitalisation Agreement and the Quantum Loan Capitalisation Agreement have been fulfilled and the completion took place on 15 November 2024 (the **"Completion Date"**).

GENERAL INFORMATION

Upon the completion of the IAM Loan Capitalisation Agreement, (i) 300,000,000 IAM Shares at HK\$0.1 per ordinary share of the Company were allotted and issued to IAM, the subscription price of which was satisfied by offsetting HK\$30,000,000 of the IAM Debt; and (ii) 932,541,460 IAM CPSs at HK\$0.1 per CPS were allotted and issued to IAM, the subscription price of which was satisfied by offsetting the remaining balance of the IAM Debt of approximately HK\$93,254,146. Upon completion of the IAM Loan Capitalisation Agreement, the IAM Debt has been fully repaid and the Company has been released from its obligations under the IAM Debt.

Upon the completion of the Quantum Loan Capitalisation Agreement, 150,000,000 Quantum Shares at HK\$0.1 per ordinary share of the Company were allotted and issued to Quantum, the subscription price of which was satisfied by offsetting the full amount of the Quantum Debt. Upon completion of the Quantum Loan Capitalisation Agreement, the Quantum Debt has been fully repaid and the Company has been released from its obligations under the Quantum Debt.

The Executive granted the Whitewash Waiver on 6 August 2024 subject to: (i) (a) the Whitewash Waiver and (b) the Capital Reorganisation, the IAM Loan Capitalisation Agreement, and the Quantum Loan Capitalisation Agreement being separately approved by (1) at least 75% and (2) more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by IAM and its concert parties between the date of the announcement of the Company dated 14 June 2024 and the completion of the IAM Loan Capitalisation and the Quantum Loan Capitalisation. The aforesaid conditions have been fulfilled as at the Completion Date.

The net proceeds of approximately HK\$138.25 million from the allotment and issue of the 300,000,000 IAM Shares, the 932,541,460 IAM CPSs and the 150,000,000 Quantum Shares has been utilized as intended.

GENERAL INFORMATION**LOAN CAPITALISATION INVOLVING ISSUE OF CONVERTIBLE PREFERENCE SHARES UNDER SPECIFIC MANDATE**

On 14 June 2024 (after trading hours of the Stock Exchange), the Company and Creative Big Limited ("**Creative Big**") entered into a loan capitalisation agreement (the "**Creative Big Loan Capitalisation Agreement**"), pursuant to which the Company has conditionally agreed to allot and issue, and Creative Big has conditionally agreed to subscribe for 547,609,590 non-voting convertible preference share(s) of the Company (the "**Creative Big CPSs**") at the subscription price of HK\$0.1 per CPS, the same of which shall be satisfied by offsetting the full amount of HK\$54,760,959, being the outstanding principal amount and accrued interest under the convertible bonds held by Creative Big up to 31 December 2023 (the "**Creative Big Debt**") (the "**Creative Big Loan Capitalisation**"). Upon completion of the Creative Big Loan Capitalisation, the Creative Big Debt shall be deemed to have been fully repaid and the Company shall be released from its obligations under the Creative Big Debt.

The Creative Big Loan Capitalisation Agreement is not inter-conditional with the IAM Loan Capitalisation Agreement and the Quantum Loan Capitalisation Agreement. Nevertheless, all three agreements are expected to be completed simultaneously.

The Directors considered that the Loan Capitalisation (including the IAM Loan Capitalisation, Quantum Loan Capitalisation and the Creative Big Loan Capitalisation, details of the IAM Loan Capitalisation and Quantum Loan Capitalisation can be referred to the paragraphs headed "CONNECTED TRANSACTIONS: LOAN CAPITALISATION INVOLVING ISSUE OF ORDINARY SHARES AND CONVERTIBLE PREFERENCE SHARES UNDER CONNECTED SPECIFIC MANDATE" in the Directors' Report on pages 37 to 40) (i) would reduce the Group's debt level and improve its deficit position by approximately HK\$193.0 million upon completion of the Loan Capitalisation; (ii) would improve the Group's gearing ratio due to the reduction of debt level by approximately HK\$193.0 million; and (iii) would eliminate the interest burden of the Company from the relevant debts. Moreover, the Company would be in a better position to focus on its business operation and capture future fund raising opportunities.

The 547,609,590 Creative Big CPSs have an aggregate nominal value of approximately HK\$6,845,120 (after taking into account the effect of the Capital Reorganisation). The net issue price per Creative Big CPS was approximately HK\$0.1. As at 14 June 2024, being the date of the Creative Big Loan Capitalisation Agreement, the closing price of the shares of the Company as quoted on the Stock Exchange was HK\$0.123.

GENERAL INFORMATION

As at 14 June 2024, Creative Big and its ultimate beneficial owner are independent third parties who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

The Creative Big Loan Capitalisation Agreement and the transactions contemplated thereunder were approved by way of ordinary resolution at the extraordinary general meeting of the Company on 8 August 2024. All of the conditions precedent under the Creative Big Loan Capitalisation Agreement have been fulfilled and the completion took place on 15 November 2024.

Upon the completion of the Creative Big Loan Capitalisation Agreement, 547,609,590 Creative Big CPSs at HK\$0.1 per CPS were allotted and issued to Creative Big, the subscription price of which was satisfied by offsetting the full amount of the Creative Big Debt. Upon completion of the Creative Big Loan Capitalisation Agreement, the Creative Big Debt has been fully repaid and the Company has been released from its obligations under the Creative Big Debt.

The net proceeds of approximately HK\$54.76 million from the allotment and issue of the 547,609,590 Creative Big CPSs has been utilized as intended.

COMPETING INTERESTS

As at 31 December 2024, none of the Directors, the substantial shareholders nor the controlling shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) have any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

During the six months ended 31 December 2024, there was no change in information of the Directors required to be disclosed in accordance with Rule 17.50A(1) of the GEM Listing Rules.

GENERAL INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the applicable code provisions as set out in Appendix C1 “Corporate Governance Code” of the GEM Listing Rules (the “**CG Code**”) during the six months ended 31 December 2024, except for the following deviations which are summarized below:

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairperson of the Company is responsible for overseeing the functions of the Board and formulating the overall strategies and policies of the Company. The chief executive officer of the Company is responsible for the day-to-day management of the business of the Group, implementing major strategies, making day-to-day decisions and the overall coordination of business operations. For the six months ended 31 December 2024, the roles of the chairperson and chief executive officer were exercised by the executive Directors collectively. The responsibilities of both roles were the same as mentioned above. The Board considers that vesting the roles of chairperson and chief executive officer in the executive Directors collectively was beneficial to the business prospects and management of the Group. The Board will review the need of appointing suitable candidates to assume the roles of the chairperson and the chief executive officer when necessary.

Code Provision C.1.6

Code Provision C.1.6 stipulates that generally independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Although Dr. CHENG Yanjie and Mr. HEUNG Pik Lun were absent from the annual general meeting of the Company held for the year ended 30 June 2024, Dr. CHENG Yanjie is not a member of any board committees whereas Mr. HEUNG Pik Lun is not the chairman of any board committees. Moreover, there was no question nor enquiries in relation to their work from the shareholders of the Company on that day. Therefore, such occasional situation did not cause any influence to the Company.

The corporate governance practices of the Company will be reviewed and updated from time to time in order to comply with the GEM Listing Rules requirements when the Board considers appropriate.

GENERAL INFORMATION

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct (the “**Code of Conduct**”) regarding the Directors' securities transaction in the Shares. Having made specific enquires, the Company has confirmed with all Directors that they have complied with the required standard as set out in the Code of Conduct throughout the period under review.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules and the CG Code. The Audit Committee comprises three INEDs, namely Mr. LAU Fai Lawrence, Mr. HSU Dong An and Mr. HEUNG Pik Lun. Mr. LAU Fai Lawrence has been appointed as the chairperson of the Audit Committee.

The primary duties of the Audit Committee are to review the Company's annual report and accounts and interim report and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Company's financial reporting, risk management and internal control systems.

The Group's unaudited results for the six months ended 31 December 2024 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results has complied with applicable accounting standards and requirements and that adequate disclosures have been made.

By order of the Board
Sinopharm Tech Holdings Limited
國藥科技股份有限公司
HO Kam Kin
Executive Director

Hong Kong, 28 February 2025

As at the date of this report, the Board comprises Mr. HO Kam Kin and Ms. KWOK Shuk Yi as executive Directors, Dr. CHENG Yanjie as non-executive Director, and Mr. LAU Fai Lawrence, Mr. HSU Dong An and Mr. HEUNG Pik Lun as independent non-executive Directors.