



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8319

2025/26
INTERIM REPORT

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

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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 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 (the “Directors”) of Expert Systems 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 of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the Stock Exchange’s website at www.hkexnews.hk, the GEM website at www.hkgem.com on the “Latest Listed Company Announcements” page for at least seven days from the date of its posting. This report will also be published and remains on the Company’s website at www.expertsystems.com.hk.

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Corporate Information

BOARD OF DIRECTORS

Chairman and non-executive Director

Mr. Wong Chu Kee Daniel

Chief executive officer and executive Director

Mr. Lau Wai Kwok

Executive Directors

Mr. Chan Kin Mei Stanley

Ms. Lau Tsz Yan

Mr. So Cheuk Wah Benton

Non-executive Director

Mr. Chu Siu Sum Alex

Independent non-executive Directors

Mr. Au Yu Chiu Steven

Mr. Ko Man Fu

Mr. Mak Wai Sing

BOARD COMMITTEES

Audit Committee

Mr. Au Yu Chiu Steven (*Chairman*)

Mr. Ko Man Fu

Mr. Mak Wai Sing

Remuneration Committee

Mr. Ko Man Fu (*Chairman*)

Mr. Au Yu Chiu Steven

Mr. Chu Siu Sum Alex

Mr. Mak Wai Sing

Nomination Committee

Mr. Mak Wai Sing (*Chairman*)

Mr. Au Yu Chiu Steven

Mr. Chu Siu Sum Alex

Mr. Ko Man Fu

Mr. Lau Wai Kwok

Corporate Governance Committee

Mr. Chan Kin Mei Stanley (*Chairman*)

Mr. Au Yu Chiu Steven

Mr. Lau Wai Kwok

Mr. Wong Chu Kee Daniel

Corporate Information

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17 Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY SECRETARY

Mr. Lau Siu Ki

AUTHORISED REPRESENTATIVES

Mr. Chan Kin Mei Stanley
Mr. Lau Wai Kwok

COMPLIANCE OFFICER

Mr. Lau Wai Kwok

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22 Floor, Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL BANKER

China Construction Bank (Asia) Corporation
Limited
28 Floor, CCB Tower
3 Connaught Road Central
Central
Hong Kong

GEM STOCK CODE

8319

COMPANY WEBSITE

www.expertsystems.com.hk

Highlights

- Revenue for the six months ended 30 September 2025 (the “Reporting Period”) increased by approximately 8.9% from that for the six months ended 30 September 2024 (the “Corresponding Period”) to approximately HK\$476.3 million.
- Gross profit for the Reporting Period increased by approximately 7.9% from the Corresponding Period to approximately HK\$76.4 million.
- Expenditures of approximately HK\$5.9 million, out of total operating expenses of approximately HK\$68.4 million for the Reporting Period, were allocated to support research and development in Generative AI as well as the establishment of our Network Operations Center and Security Operations Center (NOC/SOC). This reflects our proactive strategy to reinvest in technology and innovation to drive future growth.
- Profit for the period attributable to owners of the Company for the Reporting Period decreased by approximately 23.4% to approximately HK\$5.1 million as compared to the Corresponding Period.
- Basic earnings per share decreased by approximately 23.2% from approximately HK0.82 cent for the Corresponding Period to approximately HK0.63 cent for the Reporting Period.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2025

	Notes	Six months ended 30 September	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4, 5	476,264	437,231
Cost of sales		(399,825)	(366,356)
Gross profit		76,439	70,875
Other income and gains, net	5	2,586	3,518
Selling expenses		(28,463)	(28,366)
Administrative expenses		(39,942)	(33,194)
(Provision for)/Reversal of expected credit loss on financial assets		(128)	44
Finance costs		(3,659)	(3,325)
Profit before income tax expense		6,833	9,552
Income tax expense	6	(1,547)	(2,491)
Profit for the period		5,286	7,061
Other comprehensive income for the period <i>Item that may be reclassified subsequently to profit or loss:</i>			
— Exchange difference arising from translation of foreign operations		1,955	2,013
Total comprehensive income for the period		7,241	9,074
Profit for the period attributable to:			
Owners of the Company		5,067	6,618
Non-controlling interests		219	443
		5,286	7,061
Total comprehensive income for the period attributable to:			
Owners of the Company		6,435	8,027
Non-controlling interests		806	1,047
		7,241	9,074
Earnings per share	8		
— Basic		HK0.63 cent	HK0.82 cent
— Diluted		HK0.67 cent	HK0.78 cent

Condensed Consolidated Statement of Financial Position

As at 30 September 2025

		30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		23,323	13,355
Intangible assets		3,782	5,709
Goodwill		100,078	100,078
Restricted bank deposits		1,483	1,483
Other deposits and prepayments		4,651	6,686
		133,317	127,311
Current assets			
Inventories		2,515	2,385
Trade receivables	9	210,296	164,421
Prepayments, deposits and other receivables		55,419	34,134
Bank deposits		1,214	–
Cash and cash equivalents		183,117	245,140
		452,561	446,080
Current liabilities			
Trade payables	10	157,394	163,986
Accruals, deposits received and other payables		124,648	123,554
Lease liabilities		5,593	4,111
Dividend payable		6,025	–
Tax payables		3,391	3,365
		297,051	295,016
Net current assets		155,510	151,064
Total assets less current liabilities		288,827	278,375

Condensed Consolidated Statement of Financial Position

As at 30 September 2025

	Notes	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Non-current liabilities			
Other payables		2,649	2,529
Lease liabilities		14,918	8,810
Convertible bonds		71,620	68,300
Deferred tax liabilities		624	936
		89,811	80,575
Net assets		199,016	197,800
EQUITY			
Share capital	11	8,033	8,033
Reserves		169,080	168,670
Equity attributable to owners of the Company		177,113	176,703
Non-controlling interests		21,903	21,097
Total equity		199,016	197,800

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

	Reserves									
	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Merger reserve HK\$'000	Translation reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Retained earnings HK\$'000	Total reserve HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 31 March 2025 and 1 April 2025 (audited)	8,033	35,776	1,056	(25,395)	(2,956)	20,750	139,439	168,670	21,097	197,800
Profit for the period	-	-	-	-	-	-	5,067	5,067	219	5,286
Exchange differences arising from translation of foreign operations	-	-	-	-	1,368	-	-	1,368	587	1,955
Total comprehensive income for the period	-	-	-	-	1,368	-	5,067	6,435	806	7,241
Dividend approved in respect of the previous year (note 7)	-	(6,025)	-	-	-	-	-	(6,025)	-	(6,025)
At 30 September 2025 (unaudited)	8,033	29,751	1,056	(25,395)	(1,588)	20,750	144,506	169,080	21,903	199,016
At 31 March 2024 and 1 April 2024 (audited)	8,033	42,363	1,056	(25,395)	(2,609)	20,750	125,483	161,648	22,426	192,107
Profit for the period	-	-	-	-	-	-	6,618	6,618	443	7,061
Exchange differences arising from translation of foreign operations	-	-	-	-	1,409	-	-	1,409	604	2,013
Total comprehensive income for the period	-	-	-	-	1,409	-	6,618	8,027	1,047	9,074
Dividend approved in respect of the previous year (note 7)	-	(6,587)	-	-	-	-	-	(6,587)	-	(6,587)
At 30 September 2024 (unaudited)	8,033	35,776	1,056	(25,395)	(1,200)	20,750	132,101	163,088	23,473	194,594

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

	Six months ended 30 September 2025	
	HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Cash flows from operating activities		
Cash used in operations	(56,165)	(45,666)
Income tax paid	(1,833)	(1,530)
Net cash used in operating activities	(57,998)	(47,196)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,619)	(251)
Release of bank deposits	–	218
Replacement of bank deposits	(1,214)	–
Decrease in restricted bank deposits	–	2,021
Interest received	1,992	3,176
Net cash (used in)/generated from investing activities	(2,841)	5,164
Cash flows from financing activities		
Interest paid on lease liabilities	(339)	(214)
Principal elements of lease payments	(2,975)	(3,456)
Net cash used in financing activities	(3,314)	(3,670)
Net decrease in cash and cash equivalents	(64,153)	(45,702)
Effect of foreign exchange rate changes	2,130	1,750
Cash and cash equivalents at beginning of the period	245,140	218,911
Cash and cash equivalents at end of the period	183,117	174,959

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

1 GENERAL INFORMATION

Expert Systems Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands on 18 September 2015. Its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 April 2016 (the “Listing Date”).

The registered office of the Company is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and its principal place of business in Hong Kong is 22/F., Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of information technology (“IT”) infrastructure solutions, IT infrastructure management services and in the development and provision of artificial intelligence (“AI”) products and AI solutions for corporate and institutional customers in the Asia-Pacific region.

2 BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements for the Reporting Period have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the GEM Listing Rules.

The material accounting policies used in the unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2025 except for the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations issued by the HKICPA that are first effective for the current reporting period of the Company.

The unaudited condensed consolidated financial statements have been prepared on a historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Group, and all values are rounded to the nearest thousands, except when otherwise indicated.

The unaudited condensed consolidated financial statements have not been audited or reviewed by the Company’s auditor, but have been reviewed by the Company’s audit committee.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

3 ADOPTION OF AMENDED STANDARDS

In the Reporting Period, the Group has applied, for the first time, the following amendments to existing standards and HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The amended standards listed above did not have any material impact on the amounts recognised in prior periods or the current period.

4 SEGMENT INFORMATION

The chief operating decision maker is identified as executive directors of the Company. The Group has identified its operating segments based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance.

The Group's consolidated revenue and results are primarily attributable to the markets in Chinese Mainland, Hong Kong and Singapore and the Group's consolidated assets and liabilities are primarily either located in Chinese Mainland or Hong Kong.

The following are the Group's reportable segments under HKFRS 8 "Operating Segments":

- Provision of IT infrastructure solutions ("IT infrastructure solutions") include trading of IT hardware and software, IT hardware and software installation and configuration services;
- Provision of IT infrastructure management services ("IT infrastructure management services") include IT hardware maintenance, helpdesk, IT outsourcing and workflow automation services; and
- Development and provision of AI products and AI solutions ("AI products & AI solutions") to enable customers the use of AI.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

4 SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments from continuing operations.

For the six months ended 30 September 2025

	IT infrastructure solutions HK\$'000 (unaudited)	IT infrastructure management services HK\$'000 (unaudited)	AI products & AI solutions HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Segment revenue	314,421	164,718	102	479,241
Inter segment revenue	(381)	(2,596)	–	(2,977)
Total segment revenue from external customers	314,040	162,122	102	476,264
Segment results	9,433	5,506	(3,186)	11,753
Unallocated expenses				(4,920)
Profit before income tax expense				6,833
Segment assets				
IT infrastructure solutions				286,983
IT infrastructure management services				295,934
AI products & AI solutions				2,081
Unallocated assets				
— Cash and Cash equivalents				848
— Others				32
Total assets				585,878
Segment liabilities				
IT infrastructure solutions				203,679
IT infrastructure management services				103,337
AI products & AI solutions				1,254
Unallocated liabilities				
— Convertible bonds				71,620
— Dividend payable				6,025
— Others				947
Total liabilities				386,862

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

4 SEGMENT INFORMATION (Continued)

For the six months ended 30 September 2024

	IT infrastructure solutions HK\$'000 (unaudited)	IT infrastructure management services HK\$'000 (unaudited)	AI products & AI solutions HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Segment revenue	280,552	158,657	114	439,323
Inter segment revenue	(850)	(1,242)	–	(2,092)
Total segment revenue from external customers	279,702	157,415	114	437,231
Segment results	10,040	7,138	(2,970)	14,208
Unallocated expenses				(4,656)
Profit before income tax expense				9,552
Segment assets				
IT infrastructure solutions				223,124
IT infrastructure management services				277,720
AI products & AI solutions				1,884
Unallocated assets				
— Cash and Cash equivalents				8,243
— Others				585
Total assets				511,556
Segment liabilities				
IT infrastructure solutions				156,276
IT infrastructure management services				84,892
AI products & AI solutions				935
Unallocated liabilities				
— Convertible bonds				67,112
— Dividend payable				6,587
— Others				1,160
Total liabilities				316,962

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

4 SEGMENT INFORMATION (Continued)

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Hong Kong	395,194	357,255
Chinese Mainland	57,326	61,693
Singapore	15,740	11,795
Macau	3,477	2,985
Others	4,527	3,503
	476,264	437,231

Information about major customers

There was no single external customer who contributed 10% or more of the Group's revenue during the Reporting Period (2024: nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

5 REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Provision of IT infrastructure solutions	314,040	279,700
Provision of IT infrastructure management services	162,122	157,415
Development and provision of AI products and AI solutions	102	114
	476,264	437,229
Revenue from other sources:		
Finance leases income	–	2
Total	476,264	437,231
Disaggregation of revenue from contracts with customers:		
At a point in time	323,235	288,278
Overtime	153,029	148,951
Total	476,264	437,229

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

5 REVENUE AND OTHER INCOME AND GAINS, NET (Continued)

An analysis of other income and gains, net is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Other income and gains, net:		
Interest income	1,992	3,176
Government subsidy (note (a))	657	–
Management fee income	225	229
Sundry income, net	(288)	113
Total	2,586	3,518

Note:

- (a) During the Reporting Period, government subsidy related to industrial support from the Government of the People's Republic of China ("PRC"), amounting to HK\$657,000 (2024: nil), received by the Group.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	30 September 2025	31 March 2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables (note 9)	210,296	164,421
Contract assets	18,805	17,147
Contract liabilities	(59,086)	(74,010)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	1,417	1,389
PRC Corporate Income Tax ("CIT")	1	941
Others	561	473
	1,979	2,803
Over provision in respect of prior year	(120)	–
	1,859	2,803
Deferred tax	(312)	(312)
Total income tax expense	1,547	2,491

According to the Inland Revenue (Amendment) (No. 3) Ordinance 2018 enacted on 29 March 2018, the two-tiered profits tax regime (the "Regime") is effective from the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of qualifying corporation is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. The Hong Kong profits tax for both periods is provided based on the Regime.

Under the income tax laws of the PRC, the standard CIT rate of Chinese Mainland subsidiaries is 25%.

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands for both periods.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

7 DIVIDENDS

A final dividend in respect of the year ended 31 March 2025 of HK0.75 cent (2024: HK0.82 cent) per ordinary share amounting to HK\$6,025,000 (2024: HK\$6,587,000) was proposed pursuant to a resolution passed by the Board of Directors on 24 June 2025 and was approved by the shareholders at the annual general meeting of the Company on 16 September 2025.

Other than disclosed above, no dividends were paid or declared by the Company during the Reporting Period (2024: nil).

8 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended 30 September	
	2025 (unaudited)	2024 (unaudited)
Earnings		
Profit for the purposes of basic earnings per share (HK\$'000)	5,067	6,618
Effect of dilutive potential ordinary shares: — Interest on convertible bonds (HK\$'000)	3,320	3,111
Profit for the purposes of diluted earnings per share (HK\$'000)	8,387	9,729
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	803,280,000	803,280,000
Effect of dilutive potential ordinary shares: — Convertible bonds	450,000,000	450,000,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,253,280,000	1,253,280,000
Basic earnings per share	HK0.63 cent	HK0.82 cent
Diluted earnings per share	HK0.67 cent	HK0.78 cent

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

9 TRADE RECEIVABLES

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Trade receivables, gross	210,726	164,723
Less: Provision for impairment	(430)	(302)
	210,296	164,421

The credit period is generally 7 to 60 days.

An ageing analysis of the Group's trade receivables, net of impairment and based on invoice date, is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 1 month	77,147	65,023
More than 1 month but not more than 3 months	60,003	50,719
More than 3 months but not more than 6 months	38,236	15,885
More than 6 months but not more than a year	12,225	28,601
More than a year	22,685	4,193
	210,296	164,421

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

10 TRADE PAYABLES

The credit period ranges from approximately 30 to 90 days.

An ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 1 month	59,395	54,619
More than 1 month but not more than 3 months	59,615	69,470
More than 3 months but not more than 6 months	6,413	10,812
More than 6 months but not more than a year	9,538	27,202
More than a year	22,433	1,883
	157,394	163,986

11 SHARE CAPITAL

	Number	Amount HK\$'000 (unaudited)
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Authorised:

Ordinary shares of HK\$0.01 each

At 1 April 2024, 31 March 2025, 1 April 2025
and 30 September 2025

10,000,000,000 100,000

Issued and fully paid:

Ordinary shares of HK\$0.01 each

At 1 April 2024, 31 March 2025, 1 April 2025
and 30 September 2025

803,280,000 8,033

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

12 RELATED PARTY TRANSACTIONS

(a) Related party transactions

Save as disclosed elsewhere in this report, the Group had the following material related party transactions:

Related parties	Nature of transactions	Six months ended 30 September	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
SOG Service Limited	Cost of Sales — Outsourcing IT support services	36	–
SOG Beijing Limited [#]	Cost of Sales — Outsourcing IT support services	442	535
SOG Beijing Limited [#]	Sales	–	6
SOG Service Limited	Management fee income	225	229

[#] The English name is for identification only.

(b) Compensation of key management personnel

Total remuneration of directors and key management personnel during the Reporting Period is as follows:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Salaries, allowances and benefits in kind	6,089	6,400
Discretionary bonuses	624	554
Contribution to defined contribution pension plans	75	76
	6,788	7,030

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2025

13 SUBSEQUENT EVENT

Expert Systems Limited ("ESL"), a wholly owned subsidiary of the Company, has been awarded a service agreement ("Service Agreement") by a customer ("Customer"). Due to the discontinuation by the supplier for the supply of certain software products under a licensing program from March 2026 onwards, ESL will not be able to continue to supply that certain software products under the licensing program for the period from March 2026 to March 2028 in accordance with the Service Agreement. ESL is currently in negotiation with the Customer for an alternative solution, and estimated total cost to be in the region of HK\$4 million to HK\$8 million to be reflected in the financial performance of the Group for the six months ending 31 March 2026 ("2HFY26"). For further details, please refer to the Company's announcement disclosed dated 25 November 2025.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of IT infrastructure solutions, IT infrastructure management services, and in the development and provision of AI products and AI solutions for corporate and institutional customers in the Asia-Pacific region. The Group strives to provide one-stop innovative solutions for our customers to meet their diverse needs.

Business Environment

Our Group recognises that the business environment in the short-to-medium term remains challenging. The Group's performance is likely to be impacted by the factors such as ongoing geopolitical tensions, slowing economic growth in Chinese Mainland and Hong Kong, and weak local consumption that have led many corporate and institutional customers to tighten their project budgets and reduce market demand.

These factors may adversely affect our business volume and cost structure, putting pressure on our pricing strategies and, consequently, on our profit margins and overall profitability. Given the ongoing uncertainty in the economic landscape and various potential recovery paths, a wide range of outcomes remains possible in the future.

Strategic Response

In response to these business challenges, we adopted a development strategy characterised by “seeking progress while maintaining stability”, which allows us to respond flexibly to market changes. By fully leveraging the technical capabilities and resources of our subsidiaries, we provide customers with innovative one-stop IT solutions, further reinforce the Group's differential competitive advantages in the market.

During the reporting period, the Group relied on prudent yet flexible strategies to strengthen its market presence, with the aim of driving steady business development and resulting in revenue growth. Through continuous optimisation of the product portfolio, gross profit has maintained a solid upward trend, underscoring our resilience and adaptability. While we continue to provide a wide array of services across various sectors, we are strategically prioritising resources toward three high-growth opportunities:

- (i) Cybersecurity
- (ii) Automation and Artificial Intelligence
- (iii) Managed Services

Management Discussion and Analysis

This focus reflects our commitment to meeting significant market demands and enhancing our offerings in these critical areas. We remain dedicated to maximising returns for our shareholders while reinvesting in the IT industry, particularly in new business ventures. Our short-to-medium term strategic focus is to drive development and foster growth across our operations, ensuring that we continue to deliver comprehensive one-stop innovative solutions that address the varied challenges faced by our customers.

IT Infrastructure Solutions

The Group focuses on providing world-class IT infrastructure solutions to corporate and institutional clients, enabling their digital transformation and meet diverse business needs. With the “Protection of Critical Infrastructure Facilities Ordinance” set to take effect on 1 January 2026, the demand for cybersecurity and compliance solutions among Hong Kong enterprises is expected to increase. Leveraging its solid infrastructure expertise, the Group is actively expanding its related services to deliver comprehensive cybersecurity offerings, including consulting, solution design, system deployment, ongoing maintenance and monitoring, to fully safeguard customers’ IT assets and help consolidate the Group’s market position.

Meanwhile, the Group is actively exploring diverse AI application scenario, developing generative artificial intelligence (“GenAI”) solutions to address customer’s urgent needs for business automation and operating cost reduction, thereby driving continuous development of its AI infrastructure business. In addition, the Group provides high-performance computing solutions for research projects at colleges and institutions, which has become one of the Group’s important growth drivers. The Group will continue to optimise its product portfolio and technical support, driving sustainable business development through innovation and integration capabilities.

IT Infrastructure Management Services

To meet the growing market demand for IT infrastructure management services, the Group actively expands its service coverage across the Asia-Pacific region to enhance cross-regional support capabilities. In April 2025, the Group officially launched its Network Operations Center (“NOC”) and Security Operations Center (“SOC”), providing seamless 24/7 real-time monitoring and management of network and information security. This effectively addresses the increasingly complex network environment and various cybersecurity threats, significantly improving infrastructure operational efficiency and security levels.

With the full operation of the NOC and SOC, combined with the Group’s existing strong portfolio of managed services, the Group’s position as the preferred partner in the infrastructure management services sector has been further solidified. The Group will continue to deepen technological innovation and service upgrades, consolidating its competitive advantages in the infrastructure management services sector.

Management Discussion and Analysis

AI Business

The Group achieved a significant breakthrough in its AI Business, successfully securing new orders from the government, education, and commercial sectors. Leveraging its in-depth understanding of customer operations, the Group has successfully developed a series of customised solutions tailored to different application scenarios and actual operational needs. These can be categorised under the ChatSeries, which includes ChatEnquiry, ChatMinutes, ChatCategorization, and ChatServiceDesk, effectively enhancing customers' operational efficiency.

With the continuously rising demand for AI technology, the business demonstrates strong growth potential. The related revenues are expected to be reflected in six months ending 31 March 2026 ("2HFY26"), injecting new momentum into the Group's future development. Looking ahead, the Group will continue to invest in technological advancement in the field of AI, expanding application scenarios and its product portfolio, striving to develop this business into a major growth engine for the future and further strengthening its overall market competitiveness.

Growth and Investment Strategies

Technological innovation remains at the core to our long-term development strategy, and we have continued to increase our investment in technology and innovation. In April 2025, the Group established NOC and SOC and completed the upgrade of our Guangzhou service desk centre. This effectively enhanced regional synergies and service continuity to meet the rapidly growing demands of our customers. Simultaneously, the AI Business achieved a breakthrough by successfully secured new contracts from multiple industries and implementing innovative technologies into enterprise operations. This has supported our customers' digital transformation goals, and this business expected to become a key engine for future growth.

Looking ahead, the Group will continue to deepen investment in technological innovation, driving our own business transformation and development. We aim to develop cutting-edge solutions and services for customers and deliver sustainable returns to shareholders.

Conclusion

2025 marks the significant milestone of the Group as we celebrate Expert Systems Limited's 40th anniversary. The Group is navigating rapidly changing market conditions and remains focused on our three core business areas: IT Infrastructure Solutions, Management Services, and AI. We are striving to drive market transformation and respond to the evolving market environment.

Given this challenging economic environment, we believe that prompt action in response to market shifts and a constant drive for innovation are crucial for mitigating risks and ensuring business resilience. We are confident in our ability to navigate market volatility, strengthen our competitive edge, and expand our business footprint across the Asia-Pacific region. Our goal is to emerge as a leading IT and innovative company in the region, delivering long-term value for our shareholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 8.9% from approximately HK\$437.2 million in the Corresponding Period to approximately HK\$476.3 million in the Reporting Period. This growth was primarily driven by stronger customer demand during the Reporting Period. The increase in revenue was achieved despite the challenging market conditions, reflecting the Group's ability to respond effectively to customer needs and maintain business momentum.

Gross profit and gross profit margin

For the Reporting Period, the Group's gross profit amounted to approximately HK\$76.4 million, representing an increase of approximately HK\$5.5 million, or 7.9%, compared to approximately HK\$70.9 million in the Corresponding Period. The increase in gross profit was primarily attributable to the growth in revenue during the Reporting Period.

The Group's gross profit margin remained consistent at approximately 16.0%, compared to approximately 16.2% in the Corresponding Period. The stable margin was supported by a strategic product mix, which helped offset market pressures.

Other income and gains, net

Other income and gains, net, decreased by approximately HK\$0.9 million, or approximately 26.5%, from approximately HK\$3.5 million in the Corresponding Period to approximately HK\$2.6 million in the Reporting Period. The decrease was mainly due to a reduction in interest income and sundry income (net), partially offset by the receipt of government subsidy.

Operating expenses

Total operating expenses of the Group for the Reporting Period amounted to approximately HK\$68.4 million, representing an increase of approximately HK\$6.8 million, or 11.1%, compared to approximately HK\$61.6 million in the Corresponding Period.

Included in these operating expenses was approximately HK\$5.9 million allocated to support technology and innovation initiatives, representing an increase of approximately HK\$2.6 million, or 80.2%, compared to the Corresponding Period. This investment reflects the Group's commitment to future growth and includes research and development efforts in Generative AI, as well as the establishment of our NOC and SOC.

The remaining increase in operating expenses was primarily due to higher costs incurred by the IT infrastructure management services segment, which required additional resources to support its expansion.

Management Discussion and Analysis

Finance costs

The Group's finance costs for the Reporting Period were approximately HK\$3.7 million, representing an increase of approximately HK\$0.4 million, or approximately 10.0%, compared to the Corresponding Period.

Finance costs for both periods primarily consisted of interest expenses recognised on the convertible bonds issued on 8 October 2021.

Income tax expense

The Group's income tax expense for the Reporting Period was approximately HK\$1.5 million, representing a decrease of approximately 37.9% compared to approximately HK\$2.5 million in the Corresponding Period. After excluding the non-deductible interest expenses on convertible bonds of approximately HK\$3.3 million (2024: HK\$3.1 million), the effective tax rate for the Reporting Period was approximately 15.2% (2024: 19.7%).

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by approximately 23.4%, from HK\$6.6 million in the Corresponding Period to HK\$5.1 million in the Reporting Period. This decrease was primarily attributable to the factors mentioned above.

Basic earnings per share attributable to owners of the Company for the Reporting Period amounted to HK0.63 cent, compared to HK0.82 cent in the Corresponding Period.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We financed our operations primarily through cash generated from our operating activities. As at 30 September 2025, we had cash and cash equivalents amounted to approximately HK\$183.1 million (31 March 2025: HK\$245.1 million), represented by cash at banks and in hand. As at 30 September 2025, HK\$1.5 million was pledged for a government project (31 March 2025: HK\$1.5 million).

The banking facility granted to the Group as at 30 September 2025 amounted to HK\$10.0 million (31 March 2025: HK\$10.0 million), of which HK\$1.5 million was utilised (31 March 2025: HK\$1.5 million).

During the Reporting Period, the Group did not undertake any bank borrowings. The Company had issued convertible bonds on 8 October 2021. The convertible bonds shall mature on the fifth anniversary of the issue date and subject to annual interest rate of 2.5% payable annually in arrears.

As at 30 September 2025, the gearing ratio of the Group was 0.52 (31 March 2025: 0.46), which was calculated based on total debts including the convertible bonds and lease liabilities divided by equity attributable to owners of the Company.

Management Discussion and Analysis

CAPITAL STRUCTURE

As at 30 September 2025, the capital structure of the Company comprised issued share capital and reserves.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the Reporting Period.

SIGNIFICANT INVESTMENTS

As at 30 September 2025, the Group did not hold any significant investments (31 March 2025: nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2025 (31 March 2025: nil).

SUBSEQUENT EVENT

Expert Systems Limited (“ESL”), a wholly owned subsidiary of the Company, has been awarded a service agreement (“Service Agreement”) by a customer (“Customer”). Due to the discontinuation by the supplier for the supply of certain software products under a licensing program from March 2026 onwards, ESL will not be able to continue to supply that certain software products under the licensing program for the period from March 2026 to March 2028 in accordance with the Service Agreement. ESL is currently in negotiation with the Customer for an alternative solution, and estimated total cost to be in the region of HK\$4 million to HK\$8 million to be reflected in the financial performance of the Group for the six months ending 31 March 2026 (“2HFY26”). For further details, please refer to the Company’s announcement disclosed dated 25 November 2025.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group’s sales and costs transactions are mainly denominated in Hong Kong dollars, United States Dollars and Renminbi. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group will continue to take proactive measures and closely monitor its exposure to such currency movement.

Management Discussion and Analysis

CHARGE ON GROUP'S ASSETS

As at 30 September 2025, bank balance of HK\$1.5 million (31 March 2025: HK\$1.5 million) was pledged for a government project. Save as disclosed above, there was no charge on the Group's assets as at 30 September 2025 (31 March 2025: nil).

INFORMATION ON EMPLOYEES

As at 30 September 2025, the Group employed a total of 1,023 employees (31 March 2025: 1,006). Employees are remunerated according to their performance and work experience. On top of basic salary, variable income, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including directors' remuneration) for the Reporting Period amounted to approximately HK\$122.7 million (2024: HK\$118.3 million). The dedication and hard work of the Group's staff during Reporting Period are deeply appreciated and recognised.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Reporting Period (2024: nil).

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 September 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which shall have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which shall be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which shall be required to notify the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the shares and underlying shares of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held (note 2)	Approximate percentage (note 1)
Mr. Lau Wai Kwok ("Mr. Lau")	Beneficial owner	100,000,000	12.4%	2,000,000	0.2%
Mr. Chan Kin Mei Stanley ("Mr. Chan")	Beneficial owner	6,720,000	0.8%	500,000	0.1%
Ms. Lau Tsz Yan ("Ms. Lau")	Beneficial owner	800,000	0.1%	1,200,000	0.1%
Mr. So Cheuk Wah Benton ("Mr. So")	Beneficial owner	–	–	2,000,000	0.2%
Mr. Wong Chu Kee Daniel ("Mr. Wong")	Beneficial owner	53,300,000	6.6%	500,000	0.1%
Mr. Chu Siu Sum Alex ("Mr. Chu")	Beneficial owner	226,890,000	28.2%	500,000	0.1%
	Interest of controlled corporations	–	–	450,000,000	56.0%
Mr. Au Yu Chiu Steven ("Mr. Au")	Beneficial owner	–	–	100,000	0.0%
Mr. Ko Man Fu ("Mr. Ko")	Beneficial owner	–	–	100,000	0.0%
Mr. Mak Wai Sing ("Mr. Mak")	Beneficial owner	–	–	100,000	0.0%

Other Information

Notes:

1. The approximate percentage is calculated based on the total number of issued shares as at 30 September 2025 (i.e. 803,280,000 shares).
2. For all the Directors above except for Mr. Chu, the underlying shares represent the unlisted physically settled share options granted to the Directors on 15 April 2019 ("Date of Grant") under the share option scheme adopted by the Company pursuant to an ordinary resolution of all the then shareholders passed on 15 March 2016. For Mr. Chu, the underlying shares consist of (a) 500,000 share options granted on the Date of Grant mentioned above; and (b) 450,000,000 shares of the Company to be issued upon exercise of the conversion rights attached to the convertible bond issued by the Company as partial settlement of the consideration of the acquisition (the "Acquisition") of 70% issued share capital of ServiceOne International Holdings Limited to ServiceOne Global Holdings Limited ("ServiceOne Global"). ServiceOne Global is owned as to 70% by China Expert Systems Limited ("China Expert"), which is held as to 40% by Mr. Chu.

(ii) Long position in the debentures of the Company

Name of Director	Nature of debentures held	Amount of debentures held (HK\$) (Note)
Mr. Chu	Interest of controlled corporations	75,600,000

Note: These represent the convertible bond issued by the Company to ServiceOne Global as partial settlement of the consideration of the Acquisition. ServiceOne Global is owned as to 70% by China Expert, which is held as to 40% by Mr. Chu.

Save as disclosed above, as at 30 September 2025, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, or any of the Company's subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 30 September 2025, so far as the Directors are aware, other than a Director or chief executive of the Company whose interests are disclosed under the paragraph headed "Directors' and chief executives' interest and short positions in shares, underlying shares or debentures" above, the following persons had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, are interested in 5.0% or more of the issued voting shares of any member of the Group:

(i) Substantial shareholders — long position in the shares and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held	Approximate percentage (note 1)
Mr. Mok Chu Leung Terry ("Mr. Mok")	Beneficial owner	91,800,000	11.4%	–	–
Mr. Cheung Nap Kai ("Mr. Cheung")	Beneficial owner	89,760,000	11.2%	–	–
Ms. Yan Yihong ("Ms. Yan")	Interest of spouse (note 2)	91,800,000	11.4%	–	–
Ms. Tuen Chi Keung ("Ms. Tuen")	Interest of spouse (note 3)	89,760,000	11.2%	–	–
Ms. Luk Yuen Wah Nancy ("Ms. Luk")	Interest of spouse (note 4)	226,890,000	28.2%	450,500,000	56.1%
Ms. Keung Lai Wa Dorathy Linndia ("Ms. Keung")	Interest of spouse (note 5)	100,000,000	12.4%	2,000,000	0.2%
ServiceOne Global	Beneficial owner (note 6)	–	–	450,000,000	56.0%
China Expert	Interest of a controlled corporation (note 6)	–	–	450,000,000	56.0%

Other Information

Notes:

- 1. The approximate percentage is calculated based on the total number of issued shares as at 30 September 2025 (i.e. 803,280,000 shares).
- 2. Under the SFO, Ms. Yan, the spouse of Mr. Mok, is deemed to be interested in all the shares in which Mr. Mok is interested.
- 3. Under the SFO, Ms. Tuen, the spouse of Mr. Cheung, is deemed to be interested in all the shares in which Mr. Cheung is interested.
- 4. Under the SFO, Ms. Luk, the spouse of Mr. Chu, is deemed to be interested in all the shares and underlying shares in which Mr. Chu is interested.
- 5. Under the SFO, Ms. Keung, the spouse of Mr. Lau, is deemed to be interested in all the shares and the underlying shares in which Mr. Lau is interested.
- 6. These represent 450,000,000 shares of the Company to be issued upon exercise of the conversion rights attached to the convertible bond issued by the Company as partial settlement of the consideration of the Acquisition to ServiceOne Global. ServiceOne Global is owned as to 70% by China Expert, which is held as to 40% by Mr. Chu.

(ii) Other person — long position in the shares and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held	Approximate percentage (note 1)
Ms. Lee Kit Ling Monita ("Ms. Lee")	Interest of spouse (note 2)	53,300,000	6.6%	500,000	0.1%

Notes:

- 1. The approximate percentage is calculated based on the total number of issued shares of the Company as at 30 September 2025, that is, 803,280,000 shares.
- 2. Under the SFO, Ms. Lee, the spouse of Mr. Wong, is deemed to be interested in all the shares and underlying shares in which Mr. Wong is interested.

Saved as disclosed above, the Directors were not aware of any other persons other than the Directors or chief executive of the Company who held an interest or short positions in the shares and underlying shares of the Company as at 30 September 2025 which were required to be recorded pursuant to section 336 of the SFO.

Other Information

SHARE OPTION SCHEME

The share option scheme (the “Scheme”) was conditionally approved and adopted pursuant to a resolution in writing passed by the shareholders of the Company on 15 March 2016, which became effective on the Listing Date. A summary of the principal terms of the Scheme is set out in Appendix IV to the Company’s prospectus dated 30 March 2016.

Details of the movements in the number of share options under the Scheme for the Reporting Period are set out as follows:

Name of Grantee	Date of Grant	Exercise price per share (HK\$)	Outstanding as at 1 April 2025	Number of share options			Outstanding as at 30 September 2025
				Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	
Executive Directors							
Mr. Lau	15-Apr-19	0.111	2,000,000	–	–	–	2,000,000
Mr. Chan	15-Apr-19	0.111	500,000	–	–	–	500,000
Ms. Lau	15-Apr-19	0.111	1,200,000	–	–	–	1,200,000
Mr. So	15-Apr-19	0.111	2,000,000	–	–	–	2,000,000
Non-executive Directors							
Mr. Wong	15-Apr-19	0.111	500,000	–	–	–	500,000
Mr. Chu	15-Apr-19	0.111	500,000	–	–	–	500,000
Independent non-executive Directors							
Mr. Au	15-Apr-19	0.111	100,000	–	–	–	100,000
Mr. Ko	15-Apr-19	0.111	100,000	–	–	–	100,000
Mr. Mak	15-Apr-19	0.111	100,000	–	–	–	100,000
Other employees							
In aggregate	15-Apr-19	0.111	4,820,000	–	–	–	4,820,000
			11,820,000	–	–	–	11,820,000

No option was granted during the Reporting Period.

The share options granted to the Directors and other employees were intended to reward their services to the Company. All outstanding share options are exercisable until 14 April 2029 at an exercise price of HK\$0.111 per share. The closing price of the shares immediately before the Date of Grant was HK\$0.098.

Other Information

The Group recognised nil share option expense during Reporting Period and the Corresponding Period.

At the beginning and the end of the Reporting Period, all the 11,820,000 outstanding share options, which represented approximately 1.5% (2024: 1.5%) of the shares in issue as at that date, were vested.

As at 1 April 2025 and 30 September 2025, the number of share options available for grant under the Scheme was 64,000,000.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors, the directors of the Company's subsidiaries, the Company's controlling shareholders, or any of their respective close associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associates) during the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Reporting Period.

CORPORATE GOVERNANCE PRACTICE

The Board recognises the importance of good corporate governance in management and internal control procedures so as to achieve accountability. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures. The Company has adopted the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the GEM Listing Rules and, in the opinion of the Board, the Company has complied with the CG Code for Reporting Period, save for the deviation from such code disclosed below.

Other Information

Pursuant to code provision C.6.1 of the CG Code, the company secretary of the Company should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Mr. Lau Siu Ki, being the Company's company secretary, is not an employee of the Company. The Company has assigned Ms. Yung Pik Man, chief financial officer of the Group, as the contact person with Mr. Lau Siu Ki. Taking into account that Mr. Lau Siu Ki has substantial experience in the corporate secretarial field, providing professional corporate services to Hong Kong listed companies and it is more cost effective to engage an external service provider, the Directors consider that it is beneficial to appoint Mr. Lau Siu Ki as the company secretary of the Company.

The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture which would benefit the Company's stakeholders as a whole. The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of the shareholders and other stakeholders of the Company.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the Reporting Period with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their long-term supports and dedication during the Reporting Period.

By order of the Board
Expert Systems Holdings Limited
Wong Chu Kee Daniel
Chairman and non-executive Director

Hong Kong, 25 November 2025

As at the date of this report, the Board comprises of (1) Executive Directors: Mr. Lau Wai Kwok, Mr. Chan Kin Mei Stanley, Ms. Lau Tsz Yan and Mr. So Cheuk Wah Benton; (2) Non-executive Directors: Mr. Wong Chu Kee Daniel and Mr. Chu Siu Sum Alex; and (3) Independent non-executive Directors: Mr. Au Yu Chiu Steven, Mr. Ko Man Fu and Mr. Mak Wai Sing.