



International Genius Company

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 33

2024/25

INTERIM REPORT



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CORPORATE INFORMATION

Honorary Chairman

Ng Yu

Executive Director

He Xiaobin

Non-executive Director

Dai Chengyan

Independent Non-executive Directors

Fong Man Julisa (*Appointed on 24 July 2024*)

Lo Hang Fong

Wang Jun Sheng

Yip Tze Wai Albert

Executive Committee

He Xiaobin

Audit Committee

Yip Tze Wai Albert (*Chairman*)

Lo Hang Fong

Wang Jun Sheng

Remuneration Committee

Wang Jun Sheng (*Chairman*)

Dai Chengyan

Yip Tze Wai Albert

Nomination Committee

Wang Jun Sheng (*Chairman*)

He Xiaobin

Yip Tze Wai Albert

Risk Management Committee

He Xiaobin (*Chairman*)

Wang Jun Sheng

Yip Tze Wai Albert

Authorised Representatives

He Xiaobin

Cheung Ka Fai

Joint Company Secretaries

Cheung Ka Fai

Leong Kai Weng Subrina

Website

www.geniusi.com

Registered Office

94 Solaris Avenue

Camana Bay

PO Box 1348

Grand Cayman, KY1-1108

Cayman Islands

Principal Place of Business in Mainland China

42/F, China Resources Tower

Nanshan District

Shenzhen

Guangdong Province

China

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman

KY1-1100, Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited

Shanghai Pudong Development Bank Co., Ltd.

Auditor

McMillan Woods (Hong Kong) CPA Limited

Stock Code

0033 (Listed on the Main Board of

The Stock Exchange of Hong Kong Limited)

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

International Genius Company (the “Company”, together with its subsidiaries, the “Group”) was incorporated in the Cayman Islands under the Companies Act (As Revised) as an exempted company with limited liability on 20 March 2007. The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 November 2007.

The Group is principally engaged in:

- Tech-driven investment management
- Trading of commodities
- Trading of party products
- Provision of advancing business

The Group remains committed to becoming a leader in artificial intelligence trading technology solutions while navigating market uncertainties and adapting to evolving financial and technological landscapes.

FINANCIAL REVIEW

For the six months ended 31 December 2024, the Group recorded a significant turnaround, mainly attributed to the contribution from tech-driven investment management services.

Revenue and Profitability

- Total revenue increased by 38.4% to HK\$142.38 million (31 December 2023: HK\$102.86 million).
- Gross profit surged to HK\$32.72 million, compared to HK\$1.65 million in the same period last year.
- Profit from operations amounted to HK\$5.10 million, compared to a loss of HK\$19.85 million in the previous period.
- Net profit for the period was HK\$3.79 million, a significant improvement from a net loss of HK\$20.72 million in the previous period.
- Earnings per share (EPS) improved to HK\$0.68 cents, compared to a loss of HK\$3.86 cents per share.

This strong performance was entirely driven by tech-driven investment management services. Other business segments, particularly commodities and party products trading, continued to experience demand fluctuations and competitive pricing pressures.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Tech-Driven Investment Management – Key Growth Driver

A major factor in the Group's financial turnaround was the success of its tech-driven investment management services. This segment specializes in:

- AI-powered investment strategies
- Distributed computing and quantitative trading
- Advanced risk management and algorithmic trading models

The acquisition of Deep Neural Computing Company Limited ("DNCC") in March 2024 significantly expanded the Group's investment management capabilities, allowing it to act as a fund manager and AI-driven financial solutions provider.

During the six months ended 31 December 2024 (the "Reporting Period"), tech-driven investment management services generated HK\$35.16 million in revenue, positioning it as the Group's most profitable segment. The increasing adoption of AI in financial markets is expected to further drive growth in this area.

Trading of Commodities

The commodities trading segment generated HK\$107.22 million in revenue, up from HK\$75.41 million for the six months ended 31 December 2023 (the "Previous Period"). However, profitability remained weak, with the segment recording a loss of HK\$5.13 million. The decline in profits was primarily due to:

- Weaker demand for raw materials in China's traditional industries
- Overcapacity and intense price competition in global commodities markets

The Group continues to monitor market conditions and adjust its trading strategies to adapt to shifting industry trends.

Trading of Party Products

Revenue from the party products trading segment declined to zero, compared to HK\$27.44 million in the previous period. This decline was due to:

- A strategic shift away from this low-margin business
- Fierce competition and lower pricing power following the post-pandemic recovery in global logistics

The Group has reallocated resources from this segment to focus on higher-margin businesses like tech-driven investment management services.

MANAGEMENT DISCUSSION AND ANALYSIS

Advancing Business

The advancing business segment did not generate revenue during the Reporting Period. The Group continues to manage its existing loan portfolio and explore potential opportunities in this sector.

The advancing business is operated under a wholly-owned subsidiary with a money lenders license in Hong Kong. The Group continues to assess credit risk carefully and maintains strict lending policies to ensure loan recoverability.

Liquidity and Financial Resources

- Cash and bank balances stood at HK\$47.83 million (30 June 2024: HK\$47.72 million), maintaining a stable liquidity position
- Net current assets increased to HK\$69.13 million (30 June 2024: HK\$63.24 million), demonstrating stronger financial health
- Total assets stood at HK\$785.19 million, compared to HK\$798.09 million as of 30 June 2024
- Total liabilities decreased to HK\$88.45 million, compared to HK\$104.65 million, reflecting improved financial stability

Despite higher operating expenses of HK\$27.84 million during the Reporting Period (31 December 2023: HK\$22.10 million), the Group maintains a strong cash flow position due to the success of its tech-driven investment management services.

Prospects and Future Plans

Following the successful acquisition of DNCC, the Group has significantly strengthened its tech-driven investment management business. Over the Reporting Period, this segment has not only generated stable revenue contributions but has also demonstrated strong growth potential.

As global financial markets continue to evolve, AI and automation have become critical in improving investment decision-making and optimizing trading strategies. AI applications in asset management have expanded from basic data analysis to enhanced risk management, market forecasting, and real-time strategy execution, increasing efficiency and cost-effectiveness. The Group expects these trends to accelerate in the coming years, further benefiting its investment management business.

To capitalize on these developments, the Group will focus on:

1. *Enhancing Core Algorithmic Trading Technology*

- o Further refine the proprietary AI trading system to improve market adaptability
- o Optimize the IGC Prophet algorithm to increase prediction accuracy and trading performance

MANAGEMENT DISCUSSION AND ANALYSIS

2. Expanding Global Market Reach

- o Strengthen presence in Asia (Hong Kong, Singapore) and explore expansion into the US and Europe
- o Target institutional investors, hedge funds, and asset management firms seeking AI-powered investment solutions

3. Strengthening Risk Management and Compliance

- o Upgrade risk control models to enhance portfolio resilience during market volatility
- o Implement stricter compliance frameworks to meet international regulatory standards for AI-based trading

4. Exploring Emerging Technologies for Competitive Advantage

- o Research the use of reinforcement learning and generative AI to further enhance automated trading models
- o Integrate cloud computing and blockchain technology to improve scalability and security of trading platforms

The Group will also continue monitoring market conditions in the commodities trading sector to identify high-return opportunities while optimizing its resource allocation strategy.

Considering current market trends and the Group's growth trajectory, management remains cautiously optimistic for the next six months. The Group will continue to enhance its AI-driven investment management capabilities, strengthen its market position, and explore international expansion to achieve sustainable long-term growth and shareholder value maximization.

CAPITAL STRUCTURE AND FUND-RAISING ACTIVITIES

As at 31 December 2024, the authorized share capital of the Company was HK\$10,000,000,000 divided into 1,000,000,000,000 shares of HK\$0.01 each, and the issued share capital of the Company was HK\$5,582,451 divided into 558,245,104 shares of HK\$0.01 each.

On 12 December 2024, the Company entered into a subscription agreement with a subscriber pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe for a maximum of 110,000,000 subscription shares at HK\$2.75 per shares. Up to the date of this report, no subscription shares has been issued. For details of this subscription, please refer to the Company's announcement dated 12 December 2024.

For the Reporting Period ended 31 December 2024, there was no change in the capital structure of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM THE RIGHT ISSUE AND SHARE SUBSCRIPTION IN 2020

On 11 September 2020, the Company announced, among other things, a rights issue (the “Rights Issue”) at the subscription price of HK\$0.71 per rights share on the basis of three (3) rights shares for every one (1) Consolidated Share held by the qualifying shareholders on the record date; and the issuance of up to 330,664,157 subscription shares (the “Share Subscription”) under specific mandate for subscription by Neo Tech Inc., where such shares for subscription shall be equivalent to the number of unsold right shares under the Rights Issue and subject to the public float requirement under the Listing Rules. The Rights Issue and Share Subscription were approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020. On 13 January 2021, the Rights Issue was approximately 29.35% subscribed, and the remaining 284,673,884 unsubscribed rights shares, representing approximately 70.65% of the total number of rights shares offered under the Rights Issue, and no unsubscribed rights shares were placed under the compensatory arrangements. Accordingly, on 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech Inc. for a total consideration of approximately HK\$202,118,000 at the subscription price of HK\$0.71 per share. The gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue and the Share Subscription are approximately HK\$286 million and approximately HK\$284 million respectively. Details of the Rights Issue and Share Subscription were set out in the circular of the Company dated 4 November 2020, the prospectus of the Company dated 11 December 2020 and the announcements of the Company dated 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

The breakdown of the usage of proceeds up to 31 December 2024 are as follows:

Use of proceeds	Estimated amount HK\$ million	Proposed timeline of the intended use of proceeds	Actual Use of Proceeds for the period from 4 November 2020 to 30 June 2021		Actual Use of Proceeds for the period from 1 July 2021 to 30 June 2022		Actual Use of Proceeds for the period from 1 July 2022 to 30 June 2023		Actual Use of Proceeds for the period from 1 July 2023 to 30 June 2024		Actual Use of Proceeds for the period from 1 July 2024 to 31 December 2024	
			Unutilised Proceeds as at 30 June 2021 HK\$ million	Unutilised Proceeds as at 30 June 2022 HK\$ million	Unutilised Proceeds as at 30 June 2023 HK\$ million	Unutilised Proceeds as at 30 June 2024 HK\$ million	Unutilised Proceeds as at 31 December 2024 HK\$ million	Unutilised Proceeds as at 31 December 2024 HK\$ million				
Repayment of overdue external debts of the Group	50	Within 6 months after the Rights Issue	50	-	-	-	-	-	-	-	-	-
Repayment of the shareholder's loan owing by the Company to Dr. Ng Yu	40	Within 6 months after the Rights Issue	40	-	-	-	-	-	-	-	-	-
Repayment of overdue Convertible Bonds	110	Within 12 months after the Rights Issue	-	110	110	-	-	-	-	-	-	-
Additional capital for trading of party products business	30	Within 6 months after the Rights Issue	30	-	-	-	-	-	-	-	-	-
Additional liquid capital for the securities brokerage and assets management business	15	Within 6 months after the Rights Issue	15	-	-	-	-	-	-	-	-	-
Additional capital for the advancing business of the Group	15	Within 12 months after the Rights Issue	-	15	2	13	-	13	-	13	-	13 <i>(Note 1)</i>
General working capital	24	Within 36 months after the Rights Issue	-	24	-	24	24	-	-	-	-	-
Total	284		135	149	112	37	24	13	-	13	-	13

In view of the above, the directors of the Company (the "Directors") consider that the usage of proceeds from the above Right Issue and Share Subscription are consistent with the original purposes.

Note 1: Considering the past track record of the advancing business and the current economic conditions in Hong Kong, the Group has decided to slow down the development of this business to better manage the collectability risks and delay the use of proceeds for a period. The unutilised Remaining Proceeds is expected to be used by 30 June 2025.

The Company acknowledge that the 2023/24 Annual Report did not include an explanation regarding the delay in the use of proceeds. To address this oversight and ensure compliance in future reporting, the Company will implement enhanced internal review processes, effective from March 2025, including an independent review by an external internal control review consultant from time to time to provide assurance on the completeness and accuracy of disclosures, in particular, the Appendix D2 of the Listing Rules. The first independent review of Appendix D2 disclosures by the external consultant will cover the 2024/2025 reporting period and completed in Q3 of 2025. Additionally, the Company will strengthen coordination between finance and compliance teams and introduce regular training for our reporting staff to enhance awareness of disclosure requirements, with the first training session to be conducted in Q2 of 2025. Furthermore, the Company will proactively engage with professional advisors to ensure timely and accurate disclosures.

MANAGEMENT DISCUSSION AND ANALYSIS

MERGERS, ACQUISITIONS AND DISPOSAL

The Group did not have any other significant merger, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Reporting Period.

CHARGE OF ASSETS

As at 31 December 2024, the Group did not have any charge of assets.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities.

FOREIGN CURRENCY RISK

The Group's main operations are located in Hong Kong and the PRC. Most of the assets, income, payments and cash balance are denominated in Hong Kong dollar, Renminbi and US dollar. The Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk during the Reporting Period as the management considered that the Group's exposure to exchange rate risk could be managed.

HUMAN RESOURCES

As at 31 December 2024, the Group had 22 employees (30 June 2024: 35 employees). It is the Group's policy to recruit the right person for each position based on the person's qualification and experience. The remuneration of each employee is reviewed every year based on the performance of the employee with reference to the prevailing market conditions.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any material capital commitment.

DISCLOSURE OF INTERESTS

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

As at 31 December 2024, as far as the Directors are aware, none of the Directors and Chief Executive had any other interests, long position or short positions 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 are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on information available to the board of Directors (the “Board”) and to the best knowledge of the Board, as at 31 December 2024, the following persons had interests in the shares or 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, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO. The number of shares in the issued share capital of the Company as at 31 December 2024 was 558,245,104.

Long Position

Name	Nature of interests	Number of shares	Percentage to the issued share capital of the Company
Neo Tech Inc. (<i>Note</i>)	Beneficial Owner	390,821,084	70.01%

Note: Neo Tech Inc. is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Dr. Ng Yu (“Dr. Ng”). Dr. Ng is therefore deemed to be interested in the Shares held by Neo Tech Inc. in accordance with the SFO (Chapter 571 of the Laws of Hong Kong).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in the sections headed “Directors’ and Chief Executive’s Interests And Short Positions In Shares, Underlying Shares And Debentures Of The Company And The Associated Corporations” and “Share Option Scheme”, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and Chief Executive to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSURE OF INTERESTS

SHARE OPTION SCHEME

The Company adopted a share option scheme on 26 June 2017 (the “2017 Share Option Scheme”). The Company has terminated the 2017 Share Option Scheme and has adopted a new share option scheme (the “Share Option Scheme”) pursuant to a resolution passed at the extraordinary general meeting of the Company held on 21 June 2024 (the “Commencement Date”).

The purpose of the Share Option Scheme is to provide Eligible Participants (the “Participant(s)”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole, as well as to motivate Participants to contribute to the success of the Group’s operations. The Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants.

The Participants (as defined in the Share Option Scheme) include any director of the Company (including executive directors, non-executive directors and independent non-executive directors) or employee of the Company or any subsidiary of the Company, including any person who is granted any option as an inducement to enter into any employment contract with the Company or such subsidiary, in the sole discretion of the Board, to have contributed or will contribute to the Group.

Unless otherwise cancelled or amended, the Share Option Scheme will remain valid for a period of 10 years from the Commencement Date.

The scheme mandate limit in respect of the granting of options to subscribe for shares under the Share Option Scheme may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the date of the Shareholders’ approval for the last refreshment.

The maximum number of the ordinary shares (the “Shares”) of the Company upon the exercise of all options and awards to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the Shares of the Company (the “Scheme Mandate Limit”) in issue as at the commencement date or the relevant date of approval of the refreshment of the Scheme Mandate Limit (the “Refreshed Limit”).

Save as disclosed above, the other principal terms of the Share Option Scheme are as follows:

- (i) The total number of Shares in respect of which options may be granted to each Participant in the 12-month period up to and including the date of grant shall not exceed 1% of the issued Shares of the Company for the time being.
- (ii) The subscription price shall be determined by the Board, but shall not be less than the higher of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date of grant of option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of option; and (c) the nominal value of the Shares on the date of grant of option.

DISCLOSURE OF INTERESTS

- (iii) An option may be accepted by an eligible participant for a period of 21 days from the date of grant of option. A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an option.

No share option was granted during the Reporting Period and the Company had no share option outstanding under the 2017 Share Option Scheme and Share Option Scheme as at 31 December 2024 and 31 December 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules except for the following:

Under C.2.1 of the CG Code, the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual and the division of responsibilities between Chairman and Chief Executive Officer should be established and set out in writing. The Company had no Chairman of the Board during the Reporting Period, the functions of the Chairman of the Board were performed by the Executive Committee of the Board. The Board considered that this structure would not impaired the balance of the power and authority between the Board and the management of the Company, and had been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development. The Company is in the process of identifying suitable candidate(s) to fill the vacancy in the office of the Chairman of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix C3 of the Listing Rules regarding directors' securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, saved for disclosures elsewhere in this report, no other changes in information of Directors subsequent to the date of this report.

AUDIT COMMITTEE

The audit committee of the Board ("Audit Committee") was established on 30 October 2007. The Company adopted a set of revised written terms of reference for the Audit Committee in February 2023. The primary duties of the Audit Committee are to make recommendations on the appointment, re-appointment and removal of external auditor, to review financial statements and make recommendations on the financial reporting, and to review and supervise the financial reporting and internal control procedures of the Group. The Audit Committee shall meet at least four times a year.

The Audit Committee has, together with the Directors, reviewed this interim report, including the unaudited interim condensed consolidated financial statements, accounting principles and practices adopted by the Group contained herein for the Reporting Period.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		For the six months ended	
		31 December	
		2024	2023
Notes		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	142,376	102,855
Cost of sales and services		(109,656)	(101,208)
Gross profit		32,720	1,647
Other revenue and other net gain/(loss)	5	219	598
Operating expenses		(27,836)	(22,097)
Profit/(loss) from operations		5,103	(19,852)
Finance costs	6(a)	(515)	(870)
Profit/(loss) before tax	6	4,588	(20,722)
Income tax expense	7	(794)	–
Profit/(loss) for the period		3,794	(20,722)
Other comprehensive income /(loss) for the period			
Items may be reclassified to profit or loss:			
Exchange differences on translating financial statements of subsidiaries		(495)	1,967
		(495)	1,967
Total comprehensive profit/(loss) for the period		3,299	(18,755)
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		3,795	(20,724)
Non-controlling interests		(1)	2
		3,794	(20,722)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 31 December 2024

		For the six months ended	
		31 December	
		2024	2023
Notes		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Total comprehensive income/(loss)			
for the period attributable to:			
	Equity shareholders of the Company	3,301	(18,758)
	Non-controlling interests	<u>(2)</u>	<u>3</u>
		<u>3,299</u>	<u>(18,755)</u>
Earnings/(loss) per share			
	— Basic (HK\$ cents)	<u>0.68</u>	<u>(3.86)</u>
	— Diluted (HK\$ cents)	<u>0.68</u>	<u>(3.86)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December 2024	As at 30 June 2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		7,829	10,663
Right-of-use assets		13,846	20,581
Intangible assets and goodwill		605,935	605,935
Deposit paid	11	4,532	4,584
		<u>632,142</u>	<u>641,763</u>
Current assets			
Inventories		1,666	–
Trading securities		104	91
Loan receivables		–	–
Trade receivables	10	60,757	58,119
Prepayments, deposits and other receivables	11	42,050	49,745
Client trust bank balance		632	658
Cash and cash equivalents		47,834	47,717
		<u>153,043</u>	<u>156,330</u>
Total assets		<u>785,185</u>	<u>798,093</u>
Capital and reserves			
Share capital	12	5,582	5,582
Reserves		691,130	687,829
Equity attributable to shareholders of the Company		696,712	693,411
Non-controlling interests		28	30
Total equity		<u>696,740</u>	<u>693,441</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2024

		As at 31 December 2024	As at 30 June 2024
<i>Notes</i>		HK\$'000 (Unaudited)	<i>HK\$'000</i> <i>(Audited)</i>
Non-current liabilities			
Lease liabilities		4,621	11,563
Current liabilities			
Trade payables	13	12,493	19,552
Accruals and other payables		19,237	21,324
Consideration payable		30,000	30,000
Lease liabilities		12,272	12,972
Tax payables		9,822	9,241
		83,824	93,089
Total equity and liabilities		785,185	798,093
Net current assets		69,219	63,241
Total assets less current liabilities		701,361	705,004

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Attributable to equity shareholders of the Company						Subtotal	Non-controlling interests	Total
	Share capital	Share premium	Translation reserve	Capital reserve	Contingent reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 July 2024 (audited)	5,582	117,243	(9,579)	(15,000)	472,416	122,749	693,411	30	693,441
Total comprehensive income for the period	-	-	(494)	-	-	3,795	3,301	(2)	3,299
At 31 December 2024 (unaudited)	<u>5,582</u>	<u>117,243</u>	<u>(10,073)</u>	<u>(15,000)</u>	<u>472,416</u>	<u>126,544</u>	<u>696,712</u>	<u>28</u>	<u>696,740</u>
At 1 July 2023 (audited)	5,372	4,317,787	(10,442)	(15,000)	-	(4,155,047)	142,670	26	142,696
Total comprehensive income for the period	-	-	1,966	-	-	(20,724)	(18,758)	3	(18,755)
At 31 December 2023 (unaudited)	<u>5,372</u>	<u>4,317,787</u>	<u>(8,476)</u>	<u>(15,000)</u>	<u>-</u>	<u>(4,175,771)</u>	<u>123,912</u>	<u>29</u>	<u>123,941</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	For the six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	8,143	(26,812)
Cash flows from investing activities		
Interest received	3	5
Purchase of property, plant and equipment	–	(32)
Net cash generated from/(used in) investing activities	3	(27)
Cash flows from financing activities		
Capital element of lease payments	(7,480)	(5,804)
Interest element of lease payments	(515)	(870)
Net cash used in financing activities	(7,995)	(6,674)
Net increase/(decrease) in cash and cash equivalents	151	(33,513)
Cash and cash equivalents at beginning of the period	47,717	89,084
Effect of foreign exchange rate changes	(34)	364
Cash and cash equivalents at end of the period	47,834	55,935

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

International Genius Company (the “Company”) was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 19 November 2007.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in trading of party products, provision of tech-driven investment management services, provision of advancing services and trading of commodities.

The address of the principal place of business of the Company is 42/F, China Resources Tower, Nanshan District, Shenzhen, Guangdong Province, China and the Company has been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance since 4 September 2007.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2024 are the same as those presented in the Group’s consolidated financial statements for the year ended 30 June 2024.

Going concern basis

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGE IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024 for the preparation of the Group’s condensed consolidated financial statements:

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

* As a consequence of the amendments to HKAS 1 issued in August 2020 and December 2022, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion.

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

The principal activities of the Group are trading of party products, provision of tech-driven investment management services, provision of advancing services and trading of commodities.

Disaggregation of Revenue

Disaggregation by major products or service lines within the scope of HKFRS 15

	For the six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Trading of party products	–	27,444
Trading of commodities	107,215	75,411
Performance fee	34,785	–
Technical advice fee	376	–
	<hr/>	<hr/>
Total	142,376	102,855
	<hr/> <hr/>	<hr/> <hr/>

Disaggregation by timing of revenue recognition within the scope of HKFRS 15

— At a point in time	107,215	102,855
— Over time	35,161	–
	<hr/>	<hr/>
	142,376	102,855
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER REVENUE AND OTHER NET GAIN/(LOSS)

	For the six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies (<i>Note</i>)	406	–
Net exchange (loss)/gain	(440)	326
Interest income	3	5
Dividend income	1	1
Unrealised gain/(loss) on fair value changes in trading securities	13	(15)
Sundry income	56	101
Rental income	180	180
	<u>219</u>	<u>598</u>

Note: During the current period, the Group recognised government grants of HK\$406,000 related to a scheme in the People's Republic of China (the "PRC") to encourage import and export trading in Shaanxi.

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Finance costs		
Interest on lease liabilities	508	870
Other interest expense	7	–
	<u>515</u>	<u>870</u>
(b) Other items		
Depreciation on property, plant and equipment	2,755	2,011
Depreciation on right-of-use assets	6,602	7,869
	<u>9,357</u>	<u>9,880</u>
Total	<u>9,357</u>	<u>9,880</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE

The amount of taxation charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax — Dubai Corporate Tax Charged for the period	794	—
Total income tax charge	794	—

No provision for Hong Kong Profits Tax has been made for the six months ended 31 December 2024 as the Group has no assessable profits for the period (For the six months ended 31 December 2023: Nil).

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the both periods.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is exempted from any income tax in the Cayman Islands and the BVI.

Under the Federal Decree-Law on Corporate Income Tax, the tax rate of the businesses conducting business activities in the Dubai is 9% for the both periods.

8. DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2024 and 31 December 2023.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to equity shareholders of the Company is based on the following data:

	For the six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity shareholders of the Company	<u>3,795</u>	<u>(20,724)</u>
	Number of shares	
The weighted average number of ordinary shares	<u>558,245,104</u>	<u>537,245,104</u>

For the six months ended 31 December 2024 and 2023, no diluted earnings/(loss) per share is presented as there were no potential ordinary shares issued during the period.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. TRADE RECEIVABLES

	At	At
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables arising from dealing in securities	2,760	2,759
Interest receivables arising from advancing business	333	333
Trade receivables arising from trading of party products	1,949	28,946
Trade receivables arising from trading of commodities	13,214	13,206
Trade receivables arising from tech-driven investment management	45,583	15,957
	63,839	61,201
Less: Impairment	(3,082)	(3,082)
	60,757	58,119

Customers from trading of party products and trading of commodities are usually offered a credit period of up to 90 days. Customers from provision of tech-driven investment management services are usually offered a credit period of up to 180 days. Customers from dealing in securities are immediately due on settlement date. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The ageing analysis of trade receivables based on the date of the invoice and net of provision of impairment loss is as follows:

	At	At
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Within 30 days	43,498	13,206
31 to 60 days	3,625	1,207
61 to 90 days	–	9,215
Over 90 days	13,634	34,491
	60,757	58,119

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December 2024	At 30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Other receivables (<i>note ii</i>)	18,723	18,628
Prepayments and other deposits (<i>note i, ii</i>)	39,415	47,257
	58,138	65,885
Less: Impairment (<i>note ii</i>)	(11,556)	(11,556)
	46,582	54,329
Representing:		
Current portion	42,050	49,745
Non-current portion	4,532	4,584
	46,582	54,329

Note:

- (i) As at 31 December 2024, the Group recorded approximately HK\$26,445,000, HK\$6,390,000 and HK\$6,580,000 of prepayment to suppliers, rental deposits and other deposits respectively (30 June 2024: HK\$34,140,000, HK\$6,470,000 and HK\$6,647,000 respectively). The amount of prepayments and other deposits expected to be recovered or recognised as expense after more than one year is approximately HK\$4,532,000 (30 June 2024: HK\$4,584,000). The remaining amount is expected to be recovered or recognised as expense within one year.
- (ii) Total impairment loss for other receivables and other deposits was approximately HK\$5,556,000 and HK\$6,000,000 respectively (30 June 2024: HK\$5,556,000 and HK\$6,000,000 respectively) as at 31 December 2024. No impairment loss on other receivables and other deposits were made during the period (30 June 2024: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. SHARE CAPITAL

	Number of shares	Amount
	<i>'000</i>	<i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 July 2023, 30 June 2024, 1 July 2024 and 31 December 2024	1,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 July 2023	537,245	5,372
Issue of new shares (<i>Note</i>)	21,000	210
At 30 June 2024, 1 July 2024 and 31 December 2024	558,245	5,582

Note:

On 22 March 2024, 21,000,000 Consideration Shares have been allotted and issued by the Company to Dr. Ye Guanhua at the Issue Price of HK\$5.624 per Consideration Share, in accordance with the Sale and Purchase Agreement on 22 January 2024. The consideration of the Sale and Purchase are settled partial in cash and partial by the allotment and issuance of Consideration Shares. For further details, please refer to the announcements made by the Company dated 23 January 2024, 6 March 2024 and 22 March 2024 and note 17 of the annual report for the year ended 30 June 2024.

13. TRADE PAYABLES

	At 31 December 2024	At 30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade payables arising from dealing in securities	632	658
Trade payables arising from trading of party products	21	17,994
Trade payables arising from trading of commodities	6,320	–
Trade payables arising from tech-driven investment management	5,520	900
	12,493	19,552

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. TRADE PAYABLES *(Continued)*

The ageing analysis of trade payables arising from trading of party products, trading of commodities and tech-driven investment management is as follows:

	At	At
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0 to 30 days	4,370	50
31 to 60 days	6,370	50
61 to 90 days	50	50
Over 90 days	1,071	18,744
	11,861	18,894

The trade payables arising from trading of party products, trading of commodities and tech-driven investment management are non-interest bearing and are normally settled within 90 days. The carrying amounts of the trade payables at the end of the Reporting Period approximated their fair values.

14. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has four (For the six months ended 31 December 2023: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Trading of party products
- Tech-driven investment management
- Trading of commodities
- Advancing business

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

On 22 March 2024, the Group completed the acquisition of Deep Neural Computing Company Limited (“DNCC”). With DNCC’s expertise in artificial intelligence, deep neural networks, distributed computing and quantitative trading algorithm solutions, the Group has redefined its securities brokerage and assets management segment into tech-driven investment management segment.

(a) Segment Revenues and Results

The accounting policies of the operating segments are the same as the accounting policies of the Group. Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group’s profit or loss before tax except that certain other revenue and other net gain/(loss), other non-operating expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

The following is an analysis of the Group’s revenue and results by operation segment:

	Revenue		Segment results	
	For the six months ended 31 December		For the six months ended 31 December	
	2024	2023	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Trading of party products	–	27,444	(211)	554
Tech-driven investment management	35,161	–	30,296	(3,908)
Trading of commodities	107,215	75,411	(5,129)	(780)
Advancing business	–	–	(215)	(364)
	<u>142,376</u>	<u>102,855</u>	<u>24,741</u>	<u>(4,498)</u>
Reconciliation:				
Net exchange (loss)/gain			(440)	326
Bank interest income			3	5
Unallocated corporate expenses			(19,257)	(15,786)
Unallocated corporate income			56	101
Finance costs			(515)	(870)
Profit/(loss) before tax			4,588	(20,722)
Income tax expense			(794)	–
Profit/(loss) for the period			<u>3,794</u>	<u>(20,722)</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

(b) Segment Assets and Liabilities

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, property, plant and equipment, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain accruals and other payables, certain lease liabilities and tax payables.

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

As at 31 December 2024

	Tech-driven investment management	Advancing business	Trading of party products	Trading of commodities	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Unaudited					
ASSETS					
Segment assets	664,127	19	1,951	32,859	698,956
Bank balances and cash					47,834
Unallocated corporate assets					38,395
					<u>785,185</u>
Consolidated total assets					<u>785,185</u>
LIABILITIES					
Segment liabilities	(36,712)	(165)	(368)	(7,995)	(45,240)
Tax payables					(9,822)
Unallocated corporate liabilities					(33,383)
					<u>(88,445)</u>
Consolidated total liabilities					<u>(88,445)</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

(b) Segment Assets and Liabilities *(Continued)*

As at 30 June 2024

	Tech-driven investment management	Advancing business	Trading of party products	Trading of commodities	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Audited					
ASSETS					
Segment assets	634,513	199	29,249	49,034	712,995
Bank balances and cash					47,717
Unallocated corporate assets					37,381
Consolidated total assets					<u>798,093</u>
LIABILITIES					
Segment liabilities	(32,177)	(266)	(18,382)	(12,238)	(63,063)
Tax payables					(9,241)
Unallocated corporate liabilities					(32,348)
Consolidated total liabilities					<u>(104,652)</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

(c) Geographic information

Revenue

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	For the six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Mainland China	107,215	76,060
Singapore	35,161	26,795
Total	<u>142,376</u>	<u>102,855</u>

Specified non-current assets

The following table sets out information about the geographical location of the Group's property, plant and equipment and right-of-use assets ("Specified Non-Current Assets"). The geographical location of the Specified Non-Current Assets is based on (a) the physical location of the assets, in the case of property, plant and equipment and right-of-use assets; (b) the location of the operation to which they are allocated, in the case of intangible assets.

	At	At
	31 December	30 June
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	17	1,383
Mainland China	<u>21,658</u>	<u>29,861</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SEGMENT REPORTING *(Continued)*

- (d) Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	For the six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from customer attributable to trading of commodities business Company A	30,591	32,787
Revenue from customer attributable to tech-driven investment management Company B [#]	35,161	–
Revenue from customer attributable to trading of commodities business Company C [#]	23,631	–
Revenue from customer attributable to trading of commodities business Company D [#]	14,656	–
Revenue from customer attributable to trading of commodities business Company E [#]	14,247	–
Revenue from customer attributable to trading of party products business Company F [*]	<u>–</u>	<u>26,795</u>

* This customer did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2024.

These four customers did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2023.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group had the following significant transactions with related parties:

- (a) As at 31 December 2024, the Group had cash and cash equivalents of HK\$38,502,000 (30 June 2024: HK\$38,502,000) deposited in YF Securities Pte. Ltd, a brokerage company incorporated in Singapore with limited liability and beneficially owned by Dr. Ng Yu (the ultimate controlling party of the Company). The balance was unsecured and no provision for doubtful debts had been made in respect of the balance.
- (b) At at 31 December 2024, the Group had other receivable equivalents of HK\$11,399,000 (30 June 2024: HK\$11,399,000) from a director of a subsidiary. The balance was unsecured and no provision for doubtful debts had been made in respect of the balance.
- (c) As at 31 December 2024, the Group had consideration payable of HK\$30,000,000 (30 June 2024: HK\$30,000,000) from a director of a subsidiary. The balance is unsecured and interest free.
- (d) Compensation to key management of the Group is as follows:

	For the six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	2,931	2,874
Contributions to defined contribution retirement plans	33	27
	<u>2,964</u>	<u>2,901</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. CAPITAL COMMITMENTS

As at 31 December 2024 and 30 June 2024, the Group did not have capital commitments contracted but not provided for in the consolidated financial statements.

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis (30 June 2024: recurring basis), categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

	31 December 2024 Level 1 and total	30 June 2024 Level 1 and total
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trading securities		
— Listed equity securities	<u>104</u>	<u>91</u>

During the six months ended 31 December 2024, there were no transfers between Level 1, Level 2 and Level 3 (For the six months ended 31 December 2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in which they occur.

18. EVENTS AFTER THE REPORTING PERIOD

There are no other significant events affecting the Company and its subsidiaries which have occurred after the six months ended 31 December 2024 and up to the date of this report.

19. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2024 were approved by the Board on 28 February 2025.