PRIME INTELLIGENCE SOLUTIONS GROUP LIMITED
匯安智能科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8379)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

*This announcement, for which the directors (the "**Directors**") of Prime Intelligence Solutions Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars give 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 announcement 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 announcement misleading.*

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

The Board of Directors (the "**Board**") of Prime Intelligence Solutions Group Limited (the "**Company**") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the three and six months ended 30 September 2019 together with the unaudited and audited comparative figures for the corresponding periods in 2018 as follows:

		Three months ended 30 September		**Six months ended 30 September**	
		2019	2018	**2019**	2018
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	*4*	**11,233**	14,019	**25,429**	25,457
Cost of sales		**(6,989)**	(7,625)	**(13,764)**	(12,685)
Gross profit		**4,244**	6,394	**11,665**	12,772
Other income	*5*	**250**	243	**463**	304
Selling and distribution costs		**(1,190)**	(1,380)	**(2,375)**	(2,750)
Administrative expenses		**(6,843)**	(5,421)	**(12,205)**	(10,057)
Profit/(Loss) from operation		**(3,539)**	(164)	**(2,452)**	269
Finance costs		**(56)**	(4)	**(119)**	(20)
Profit/(Loss) before tax		**(3,595)**	(168)	**(2,571)**	249
Income tax expense	*6*	**(84)**	(41)	**(470)**	(299)
Loss for the period	*7*	**(3,679)**	(209)	**(3,041)**	(50)
Other comprehensive income for the period net of tax:					
Item that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		**9**	–	**(25)**	(287)
Total comprehensive income for the period attributable to the owners of the Company		**(3,670)**	(209)	**(3,066)**	(337)
Loss per share (cents)					
— Basic	*9*	**(0.46)**	(0.03)	**(0.38)**	(0.01)
— Diluted	*9*	**(0.46)**	(0.03)	**(0.38)**	(0.01)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 September 2019** *HK$'000* **(unaudited)**	31 March 2019 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**1,418**	1,816
Intangible assets		**95**	119
Right of use assets		**4,210**	–
		5,723	1,935
Current assets			
Inventories		**22,113**	21,393
Trade receivables	*10*	**7,251**	9,691
Other receivables, prepayments and deposits		**2,640**	2,706
Tax recoverable		**2,948**	2,531
Cash and bank balances		**68,091**	70,334
		103,043	106,655
Current liabilities			
Trade payables	*11*	**832**	2,922
Other payables, deposits received and accrued expenses		**4,795**	5,538
Contract liabilities		**6,605**	5,066
Lease liabilities		**4,341**	–
Current tax liabilities		**470**	67
		17,043	13,593
Net current assets		**86,000**	93,062
Total assets less current liabilities		**91,723**	94,997
Non-current liabilities			
Contract liabilities		**–**	102
NET ASSETS		**91,723**	94,895
Capital and reserves			
Share capital	*12*	**8,000**	8,000
Reserves		**83,723**	86,895
TOTAL EQUITY		**91,723**	94,895

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Legal reserve HK$'000	Foreign currency translation reserve HK$'000	Retained profits HK$'000	Total reserve HK$'000	Total equity HK$'000
Balance at 1 April 2018 (audited)	8,000	51,682	17,079	12	2	22,040	90,815	98,815
Total comprehensive income for the period (unaudited)	–	–	–	–	(287)	(50)	(337)	(337)
Balance at 30 September 2018 (unaudited)	8,000	51,682	17,079	12	(285)	21,990	90,478	98,478
Balance at 1 April 2019 (audited)	**8,000**	**51,682**	**17,079**	**12**	**(271)**	**18,393**	**86,895**	**94,895**
Impact on initial application of HKFRS 16 (unaudited)	**–**	**–**	**–**	**–**	**–**	**(106)**	**(106)**	**(106)**
Balance at 1 April 2019, as restated (unaudited)	**8,000**	**51,682**	**17,079**	**12**	**(271)**	**18,287**	**86,789**	**94,789**
Total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**–**	**(25)**	**(3,041)**	**(3,066)**	**(3,066)**
Balance at 30 September 2019 (unaudited)	**8,000**	**51,682**	**17,079**	**12**	**(296)**	**15,246**	**83,723**	**91,723**

* *Represents amount less than HK$1,000*

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash (used in)/from operating activities	**(2,498)**	791
Purchases of property, plant and equipment	**(28)**	(1,288)
Other investing cash flows (net)	**378**	24
Net cash from/(used in) investing activities	**350**	(1,264)
Net cash from financing activities	**–**	1,250
Net (decrease)/increase in cash and cash equivalent	**(2,148)**	777
Effect of foreign exchange rate changes	**(95)**	(37)
Cash and cash equivalents at beginning of the period	**70,334**	76,836
Cash and cash equivalents at end of the period	**68,091**	77,576
Analysis of cash and cash equivalents consist of		
Bank and cash balances	**68,091**	77,576

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability under the Companies Law (as revised) of the Cayman Islands on 16 October 2015. The address of its registered office is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. Subsequent to the end of reporting period, the address of its principal place of business is located at Unit A, 6/F TLP132, Nos. 132–134 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 14 February 2018 (the "**Listing**").

The Company is an investment holding company. The principal activities of its subsidiaries are sales of biometrics identification devices and other devices and accessories and provision of auxiliary and other services.

2. BASIS OF PRESENTATION AND PREPARATION OF FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Group for the three and six months ended 30 September 2019 are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The unaudited condensed consolidated financial statements were approved for issue by the Directors on 7 November 2019. The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Information" issued by Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The unaudited condensed consolidated results have been prepared under the historical cost convention. The unaudited condensed consolidated results of the Group for the three and six months ended 30 September 2019 do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2019 (the "**2019 Consolidated Financial Statements**"). Except as described in paragraph headed "Change in accounting policies and disclosures" below, the accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated results are consistent with those used in the 2019 Consolidated Financial Statements.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars, which is the functional currency of the Company.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations.

Changes in accounting policy and disclosures

The following new and amended standards and interpretations are mandatory for the first time for financial year beginning 1 April 2019:

Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
HK(IRIC)-Int 23	Uncertainty over Income Tax Treatments
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS , HKFRS 11, HKAS 12 and HKAS 23

Except as described below for HKFRS 16, the adoption of above new and revised standards has had no significant financial effect on the unaudited condensed consolidated interim financial information.

HKFRS 16

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single lessee accounting model.

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("**short-term leases**"), and lease contracts for which the underlying asset is of low value ("**leases of low-value assets**").

The transition effects arising from the adoption of HKFRS 16 are presented below.

The following tables analyse the impact, net of tax, of transition to HKFRS 16 on the statement of financial position of the Group.

	At 1 April 2019
	HK$'000
Right-of-use assets	
Closing balance under HKAS 17 at 31 March 2019	—
— Recognition of right-of-use assets under HKFRS 16	3,510
Opening balance under HKFRS 16 at 1 April 2019	3,510
Other receivables, prepayments and deposits	
Closing balance under HKAS 17 at 31 March 2019	2,706
— Recognition of interest losses under HKFRS 16	(56)
Opening balance under HKFRS 16 at 1 April 2019	2,650
Lease liabilities	
Closing balance under HKAS 17 at 31 March 2019	—
— Recognition of lease liabilities under HKFRS 16	3,560
Opening balance under HKFRS 16 at 1 April 2019	3,560
Retained profits	
Closing balance under HKAS 17 at 31 March 2019	18,393
— Recognition of right-of-use assets under HKFRS 16	3,510
— Recognition of interest losses under HKFRS 16	(56)
— Recognition of lease liabilities under HKFRS 16	(3,560)
Opening balance under HKFRS 16 at 1 April 2019	18,287

Statement of Financial Position	At 31 March 2019	Remeasurement	At 1 April 2019
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Property, plant and equipment	1,816	—	1,816
Intangible assets	119	—	119
Right of use assets	—	3,510	3,510
Inventories	21,393	—	21,393
Trade receivables	9,691	—	9,691
Other receivables, prepayments and deposits	2,706	(56)	2,650
Tax recoverable	2,531	—	2,531
Cash and bank balances	70,334	—	70,334
TOTAL ASSETS	108,590	3,454	112,044
LIABILITIES			
Trade payables	2,922	—	2,922
Other payables, deposits received and accrued expenses	5,538	—	5,538
Contract liabilities	5,168	—	5,168
Lease liabilities	—	3,560	3,560
Current tax liabilities	67	—	67
TOTAL LIABILITIES	13,695	3,560	17,255
EQUITY			
Share capital	8,000	—	8,000
Reserves	86,895	(106)	86,789
TOTAL EQUITY	94,895	(106)	94,789

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of land and buildings. Before the adoption of HKFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other assets and other liabilities, respectively.

Upon adoption of HKFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal to the lease assets and liabilities recognised under HKAS 17). The requirements of HKFRS 16 were applied to these leases from 1 April 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equals to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term lease recognition exemption to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 April 2019:

- Right-of-use assets of HK$3,510,000 were recognised and presented separately in the statement of financial position.
- Other receivables, prepayments and deposits were decreased for HK$56,000 because of the discounting effect.
- Additional lease liabilities of HK$3,560,000 were recognised.
- The net effect of these adjustments had been adjusted to retained earnings in the amount of HK$106,000.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	HK$'000
Operating lease commitments as at 31 March 2019	4,531
Weighted average incremental borrowing rate as at 1 April 2019	5.0%
Discounted opening lease commitments as at 1 April 2019	4,395
Less:	
Discounted value for short-term lease/leases of low-value assets not recognised	(835)
Lease liabilities as at 1 April 2019	3,560

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of HKFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period during which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (i.e. a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered as low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms of two to three years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Buildings Right of use assets	**Lease liabilities**
	HK$'000	*HK$'000*
As at 1 April 2019	3,510	3,560
Additions	1,725	1,711
Depreciation expense	(1,009)	—
Interest expense	—	103
Payments	—	(1,021)
Exchange realignment	(16)	(12)
As at 30 September 2019	4,210	4,341

3. SEGMENT INFORMATION

The Group has two reportable segments as follows:

— Sales of biometrics identification devices, security products and other accessories.

— Provision of auxiliary and other services includes (i) maintenance, installation and solution services; and (ii) software licensing.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

4. REVENUE

Revenue represents the invoiced values of goods sold and services rendered, after allowances for returns and discounts during the reporting periods.

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Sales of biometrics identification devices, security products and other accessories	**7,785**	9,836	**17,708**	17,181
Provision of auxiliary and other services	**3,448**	4,183	**7,721**	8,276
	11,233	14,019	**25,429**	25,457

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Products and services transferred at a point of time	**8,680**	10,153	**19,683**	18,386
Services transferred over time	**2,553**	3,866	**5,746**	7,071
	11,233	14,019	**25,429**	25,457

5. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Interest income	**194**	250	**378**	280
Gain/(loss) on disposals of property, plant and equipment	**–**	(8)	**–**	20
Others	**56**	1	**85**	4
	250	243	**463**	304

6. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Provision for the period:				
Hong Kong Profits Tax	**84**	41	**470**	299
	84	41	**470**	299

Hong Kong Profits Tax is provided at 16.5% (three and six months ended 30 September 2018: 16.5%) based on the estimated assessable profits arising in or derived from Hong Kong.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the Group's subsidiary established and operated in the PRC is subject to PRC Enterprise Income Tax at the rate of 25.0% (three and six months ended 30 September 2018: 25.0%). No PRC Enterprise Income Tax has been provided for the three and six months ended 30 September 2019 (three and six months ended 30 September 2018: Nil) as the Group's PRC subsidiary either did not generate any assessable profits or has sufficient tax losses brought forward to offset against its assessable profits generated during the reporting periods.

For the Group's subsidiary established and operated in Macau is subject to Macao Complementary Tax, under which taxable income of up to MOP600,000 (2018: MOP600,000) is exempted from taxation with taxable income beyond this amount to be taxed at the rate of 12% (2018: 12%). No provision for Macao Complementary Tax has been made for the three and six months ended 30 September 2019 and 2018 as the Group's subsidiary operated in Macau did not generate any assessable profit for the three and six months ended 30 September 2019 and 2018.

7. LOSS FOR THE PERIOD

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Depreciation				
— Owned assets	**205**	335	**447**	505
— Right of use assets	**576**	–	**1,009**	–
Staff costs (including Directors' emoluments)				
— Salaries, bonus and allowances and other benefits in kind	**6,994**	3,644	**11,544**	7,134
— Commission	**141**	158	**269**	385
— Retirement benefits scheme contributions	**345**	250	**649**	494
	7,480	4,052	**12,462**	8,013
Cost of inventories sold	**4,151**	5,693	**9,041**	9,507
Foreign exchange losses, net	**43**	114	**120**	142
Gain/(loss) on disposals of property, plant and equipment	**–**	(8)	**–**	20
Auditor's remuneration	**158**	145	**287**	274

8. DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 September 2019 (2018: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the following:

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Loss for the purpose of calculating basic loss per share	**(3,679)**	(209)	**(3,041)**	(50)
Number of shares				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**800,000,000**	800,000,000	**800,000,000**	800,000,000

(b) Diluted loss per share

No diluted loss per share to be presented as the Company did not have any dilutive potential ordinary shares outstanding during the three and six months ended 30 September 2019 and 2018.

10. TRADE RECEIVABLES

	As at 30 September 2019 ***HK$'000*** **(unaudited)**	As at 31 March 2019 *HK$'000* (audited)
From third parties	**7,427**	9,869
Less: allowance for doubtful debts	**(178)**	(178)
	7,249	9,691
From related parties	**2**	–
	7,251	9,691

Analysis of trade receivables due from related parties:

	As at 30 September 2019 ***HK$'000*** **(unaudited)**	As at 31 March 2019 *HK$'000* (audited)
Long Yield Company Limited	**2**	–
	2	–

Long Yield, a company incorporated in Hong Kong, in which Mr. Yuen Wing Hong, father of Mr. Yuen Kwok Wai, Tony and Ms. Yuen Mei Ling, Pauline ("**Ms. Pauline Yuen**"), and Mr. Li Tat, David, spouse of Ms. Pauline Yuen, are directors.

The Group's trading terms with customers are mainly on credit. The credit period granted to the customers generally range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

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

	As at 30 September 2019 ***HK$'000*** **(unaudited)**	As at 31 March 2019 *HK$'000* (audited)
0 to 90 days	**4,391**	5,629
91 to 180 days	**1,235**	2,091
181 to 365 days	**1,009**	1,709
Over 365 days	**616**	262
	7,251	9,691

11. TRADE PAYABLES

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

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 30 days	**502**	1,977
31 to 60 days	**123**	939
Over 60 days	**207**	6
	832	2,922

12. SHARE CAPITAL

	Number of ordinary shares	**Amount** *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each		
As at 31 March 2019 (audited), 1 April 2019 and 30 September 2019 (unaudited)	5,000,000,000	50,000
Issued and fully paid:		
As at 31 March 2019 (audited), 1 April 2019 and 30 September 2019 (unaudited)	800,000,000	8,000

13. SHARE OPTION SCHEMES

On 18 January 2018, written resolution of the shareholders of the Company was passed to conditionally approve and adopt a share option scheme ("**Share Option Scheme**") to recognise and motivate the contributions that eligible participants have made or may make to the Group.

The Share Option Scheme adopted by the Company on 18 January 2018 will remain in force for a period of ten years from its effective date to 17 January 2028. Particulars of the Share Option Scheme of the Company are set out in Appendix IV to the Company's prospectus dated 30 January 2018.

No share option has been granted by the Company under the Share Option Scheme since its effective date and up to the end of the reporting period.

14. CONTINGENT LIABILITIES

At 30 September 2019, the Group did not have any contingent liabilities.

15. RELATED PARTY TRANSACTIONS

Other than those balances of related parties disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with its related parties during the period.

(a) Transactions with related parties

		Three months ended 30 September		**Six months ended 30 September**	
		2019	2018	**2019**	2018
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Sales of goods to related companies:					
— Long Yield	*(i)*	**30**	41	**76**	57
— SoHo Business Center Limited ("**SoHo**")	*(i),(ii)*	**–**	–	**1**	–
		30	41	**77**	57
Services rendered to related companies:					
— Long Yield	*(i)*	**25**	25	**53**	48
— SoHo	*(i),(ii)*	**40**	30	**70**	50
		65	55	**123**	98
Rental expenses paid to a related company:					
— Global Technology Corporation Limited ("**Global Technology**")	*(i),(ii)*	**225**	162	**410**	366

Notes:

(i) The pricing of the related party transactions are mutually agreed by the Group and related companies.

(ii) Mr. Tony Yuen and Ms. Pauline Yuen are able to exercise significant influence over SoHo and Global Technology.

(b) Key management compensation

Key management mainly represents the Company's Directors. Remuneration for key management personnel of the Group is as follows:

	Three months ended 30 September		**Six months ended 30 September**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Salaries, bonus and allowances and other benefits in kind	**1,274**	1,279	**2,246**	1,855
Retirement benefits scheme contributions	**17**	17	**33**	31
	1,291	1,296	**2,279**	1,886

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is a provider of biometrics identification solutions in Hong Kong, Macau and the PRC. The Group derives revenue from the following business activities: (i) sales of products which include biometrics identification devices, and other devices and accessories; and (ii) provision of auxiliary and other services. The Group's biometrics identification devices have one or more of the following functions: (i) face identification; (ii) fingerprint identification; (iii) finger vein identification; (iv) hand geometry identification; and (v) iris identification. The revenue of the Group for the six months ended 30 September 2019 was approximately HK$25.4 million, representing a decrease of approximately 0.1% from approximately HK$25.5 million for the six months ended 30 September 2018. The decrease in revenue was mainly because the decrease in provision of auxiliary and other services.

Revenue represents the invoiced values of goods sold and services rendered, after allowances for returns and discounts during the reporting periods.

	For the six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Sales of biometrics identification devices, security products and other accessories	**17,708**	17,181
Provision of auxiliary and other services	**7,721**	8,276
	25,429	25,457

Outlook

The ordinary shares of HK$0.01 each (the "**Shares**") of the Company have been successfully listed on GEM on 14 February 2018. The Board considers that such public listing status will allow the Company to gain access to the capital market for corporate finance exercise, assist the Company in the future business development, enhance the Group's corporate profile and recognition and strengthen the Group's competitiveness.

Looking forward, the Group plans to generate further growth in existing business by strengthening its marketing capabilities and expanding its product portfolio through enhancing software development, with a view to further enlarging its market share in Hong Kong and Macau and becoming one of the active biometrics identification solutions providers in the PRC. As such, the Group plans to utilise the net proceeds from the Listing by way of share offer pursuant to the Prospectus on (i) launching of affordable locally manufactured fingerprint identification devices as part of the expansion plan of the business in Southern China; (ii) enhancing the quality of after-sale services and strengthening of the operation support as part of the expansion plan of the business in Southern China; (iii) improving its information technology system; and (iv) setting up a new and separate software development center in the PRC to further enhance and develop the Group's software.

With utilising our prevailing biometrics identification solutions and software development, we consider to broaden our product range by developing certain consumer products with various popular functions including but not limited to artificial intelligence.

FINANCIAL REVIEW

Cost of Sales and Gross Profit

The majority of the Group's cost of sales was costs of inventories sold. The Group's costs of inventories sold decreased by approximately 4.9% to approximately HK$9.0 million for the six months ended 30 September 2019 as compared to the same period last year. The gross profit margin dropped from approximately 50.2% for the six months ended 30 September 2018 to approximately 45.9% for the six months ended 30 September 2019. The gross profit also dropped from approximately HK$12.8 million for the six months ended 30 September 2018 to approximately HK$11.7 million for the six months ended 30 September 2019. The decrease of gross profit margin and gross profit was mainly due to the decrease of gross profit of handheld devices.

Expenses

Staff costs for the six months ended 30 September 2019 was approximately HK$12.5 million (2018: approximately HK$8.0 million), representing an increase of approximately HK$4.5 million as compared with that of last corresponding period, which was mainly due to the salary increment during the period.

Administrative expenses for the six months ended 30 September 2019 was approximately HK$12.2 million (2018: approximately HK$10.1 million), representing an increase of approximately HK$2.1 million as compared with the last corresponding period, which was mainly due to the increase in staff costs.

Loss for the Period

The Group incurred a net loss of approximately HK$3.0 million for the six months ended 30 September 2019, as compared with a net loss of approximately HK$0.1 million for the six months ended 30 September 2018. The increase of net loss was mainly due to (i) the increase in staff costs; and (ii) the drop in gross profit margin.

The Board does not recommend the payment of dividends for the six months ended 30 September 2019.

Liquidity, Financial Resources and Capital Structure

Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. The Directors believe that with the new capital from the listing of Shares on GEM, the Group is in a healthy financial position to expand its core business and to achieve its business objectives. As at 30 September 2019, the Group had no bank borrowings (30 September 2018: Nil). The Group requires cash primarily for working capital needs. As at 30 September 2019, the Group had approximately HK$68.1 million in bank and cash balances (30 September 2018: approximately HK$70.3 million).

Capital Expenditure

The Group purchased property, plant and equipment and capitalised software costs amounting to approximately HK$0.1 million and nil respectively for the six months ended 30 September 2019 (six months ended 30 September 2018: approximately HK$1.3 million and nil respectively).

Capital Commitments

The Group did not have any significant capital commitments as at 30 September 2019 (as at 31 March 2019: Nil).

Gearing Ratio

As at 30 September 2019, the Group has no outstanding borrowings, accordingly there is no gearing ratio (as at 31 March 2019: HK$Nil).

Note: Gearing ratio is calculated as the total debt divided by total equity.

Foreign Currency Risk

The Company does not have significant exposure on foreign currency risk.

The functional currency of the Group's entities are principally denominated in HK$, Renminbi ("**RMB**") and Macau Pataca ("**MOP**"). The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currencies of respective Group entities such as United States dollars ("**US$**"), RMB and EURO. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the six months ended 30 September 2019.

Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

There were neither significant investments held as at 30 September 2019 nor material acquisitions and disposals of subsidiaries during the six months ended 30 September 2019. There is no plan for material investments or capital assets as at the date of this announcement.

Charges over Assets of the Group

As at 30 September 2019, there is no charges over assets of the Group (as at 31 March 2019: HK$Nil).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: nil).

Employees and Remuneration Policies

As at 30 September 2019, the Group had a total of 67 employees. The Group's staff costs for the six months ended 30 September 2019 amounted to approximately HK$12.5 million (six months ended 30 September 2018: approximately HK$8.0 million). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances. Other benefits and incentives include training and share option.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). In the PRC, the Group's employees have participated in the basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance prescribed by the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), and housing fund prescribed by the Regulations on the Administration of Housing Fund (《住房公積金管理條例》). All PRC-based employees have the right to participate in the social insurance and housing provident fund schemes.

Share Option Schemes

The share option scheme of the Company (the "**Scheme**") was adopted pursuant to a resolution passed by the Company's shareholders on 18 January 2018 for the primary purpose is to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group. Eligible participants of the Scheme include any employees, any executives Directors, non-executive Directors (including independent non-executive Directors), advisors, consultants of the Company or any of its subsidiaries.

The Scheme will remain valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further share options will be granted but the provisions of the Scheme shall in all other respects remain in full force and effect and share options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue. The principal terms of which were summarised in the paragraph headed "Share Option Scheme" in Appendix IV to the Prospectus. No share options have been granted, exercised, expired, cancelled or lapsed under the Scheme since its adoption.

Use of proceeds and actual progress of the Group's business objectives

The net proceeds from the Listing (after deducting the underwriting fees and other related expenses paid by the Company in connection with the share offer) which amounted to approximately HK$44.5 million will be used for the intended purposes as set out in the section headed "Statement of Business Objectives and Strategies" of the Prospectus. Set out below is the actual usage of net proceeds up to the date of this interim report:

	Net proceeds *HK$ million*	**Utilised** *HK$ million*	**Unutilised** *HK$ million*
Expanding the business in Southern China			
— launch of affordable locally manufactured fingerprint identification devices	15.8	–	15.8
— enhancement of the quality of after-sales services and strengthening of the operation support	5.1	(2.6)	2.5
Improving the information technology system	5.0	(2.4)	2.6
Setting up a new and separate software development center in the PRC to further enhance and develop the Group's software	15.2	(1.8)	13.4
Working capital	3.4	(3.4)	–
	44.5	(10.2)	34.3

As disclosed in the Prospectus, the Group's business objectives are to further its growth in existing business by strengthening marketing capabilities and expanding product portfolio through enhancing software development, in order to further enlarge its market share in Hong Kong and Macau and to become one of the active biometrics identification solutions providers in the PRC. The Directors intend to achieve the objectives by (i) launch affordable locally manufactured fingerprint identification devices as part of the expansion plan of the business in Southern China; (ii) enhance the quality of aftersales services and to strengthen the operation support as part of the expansion plan of the business in Southern China; (iii) improve the information technology system; (iv) set up a new and separate software development center in the PRC to further enhance and develop the Group's software; and (v) working capital of the Group.

The Group had planned to use approximately HK$15.8 million of net proceeds to launch affordable locally manufactured fingerprint identification devices as part of the expansion plan of the business in Southern China. The Group has not yet launch affordable locally manufactured fingerprint identification devices. The Group is reviewing the needs and timeframe for launch of affordable locally manufactured fingerprint identification devices so as to capture the above-mentioned low-end market in the PRC.

The Group had planned to use approximately HK$5.1 million of net proceeds to enhance the quality of aftersales services and to strengthen the operation support as part of the expansion plan of the business in Southern China. As at 30 September 2019, a total of approximately HK$2.5 million was spent on enhancing the quality of aftersales services and to strengthen the operation support as part of the expansion plan of the business in Southern China.

The Group had planned to use approximately HK$5.0 million of net proceeds to improve the information technology system. As at 30 September 2019, a total of approximately HK$2.4 million was spent on improving the information technology system.

The Group had planned to use approximately HK$15.2 million of net proceeds to set up a new and separate software development center in the PRC to further enhance and develop the Group's software. As at 30 September 2019, a total of approximately HK$1.8 million was spent on setting up a new and separate software development center in the PRC to further enhance and develop the Group's software.

The Group had planned to use approximately HK$3.4 million of net proceeds to working capital. As at 30 September 2019, a total of approximately HK$3.4 million was spent on working capital.

CORPORATE GOVERNANCE PRACTICES

The Company endeavours to maintain high standard of corporate governance for the enhancement of shareholders' value and provide transparency, accountability and independence. Except for the deviation from code provision A.2.1, the Company had complied with the required code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the "**CG Code**") since the Listing and up to the date of this announcement.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yuen Kwok Wai, Tony ("**Mr. Tony Yuen**") is the chairman and the chief executive officer of the Company. In the view that Mr. Tony Yuen is one of the founders of the Group and has been operating and managing the Group since June 1999, the Board believes that it is in the best interest of the Group to have Mr. Tony Yuen taking up both roles for effective management and business development. Therefore the Board considers that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings (the "**Required Standard of Dealings**") as the code for securities transactions by the Directors on the guidelines as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the six months ended 30 September 2019 and up to the date of this announcement.

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

As at 30 September 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, 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 were as follows:

Long positions

Ordinary share of the Company

Name	**Capacity and nature of interest**	**Number of shares** *(note 1)*	**Percentage of the Company's issued share capital**
Mr. Yuen Kwok Wai, Tony ("**Mr. Tony Yuen**") *(note 2)*	Interest of controlled corporation	366,000,000 (L)	45.75%
Ms. Yuen Mei Ling, Pauline ("**Ms. Pauline Yuen**") *(note 2)*	Interest of controlled corporation	366,000,000 (L)	45.75%

Note:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.

2. Delighting View Global Limited ("**Delighting View**") directly holds 366,000,000 Shares. As Delighting View is beneficially owned as to 85% and 15% by Mr. Tony Yuen and Ms. Pauline Yuen respectively and Mr. Tony Yuen and Ms. Pauline Yuen are parties acting in concert, each of Mr. Tony Yuen and Ms. Pauline Yuen is deemed to be interested in all the Share held by Delighting View under the SFO.

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executive of the Company or their associates (as defined in the GEM Listing Rules) had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 ad 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to be taken under the provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 September 2019, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the shares or underlying shares 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; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions

Ordinary shares of the Company

Name	**Capacity and nature of interest**	**Number of shares** ***(note 1)***	**Percentage of the Company's issued share capital**
Delighting View *(note 2)*	Beneficial owner	366,000,000 (L)	45.75%
Super Arena Limited ("**Super Arena**") *(note 3)*	Beneficial owner	100,000,000 (L)	12.5%
Mr. Kor Sing Mung, Michael ("**Mr. Kor**") *(note 3)*	Interest of controlled corporation	100,000,000 (L)	12.5%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.

2. As Delighting View is beneficially owned as to 85% and 15% by Mr. Tony Yuen and Ms. Pauline Yuen respectively and Mr. Tony Yuen and Ms. Pauline Yuen are parties acting in concert, each of Mr. Tony Yuen and Ms. Pauline Yuen is deemed to be interested in all the Shares held by Delighting View under the SFO.

3. Super Arena directly holds 100,000,000 Shares. As Super Arena is beneficially owned as to 70% by Mr. Kor, Mr. Kor is deemed to be interested in all the Shares held by Super Arena under the SFO.

Save as disclosed above, as at 30 September 2019, the Directors are not aware of any other person, other than Directors and the chief executive of the Company who had, or was deemed to have, interests or short positions 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; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or options in respect of such share capital.

PURCHASES, SALES 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 six months ended 30 September 2019.

Compliance Adviser's Interests

As at the date of this announcement, save and except for (i) the participation of Ample Capital Limited (the "**Compliance Adviser**") as the sponsor and Ample Orient Capital Limited as one of the underwriters and joint lead managers in relation to the Listing; and (ii) the compliance adviser's agreement entered into between the Company and the Compliance Adviser dated 25 January 2018, neither the Compliance Adviser, nor any of its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) which is required to be notified to the Company pursuant to rule 6A.32 of the GEM Listing Rules.

Competing Interests

The Directors confirm that as at 30 September 2019, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with rules 5.28 and 5.29 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chung Billy (chairman of the Audit Committee), Mr. Hui Man Ho, Ivan and Mr. Mui Pak Kuen.

The unaudited condensed consolidated financial statements of the Company for the three and six months ended 30 September 2019 has been reviewed by the Audit Committee. The Audit Committee is of the opinion that such financial information complies with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

By order of the Board
Prime Intelligence Solutions Group Limited
匯安智能科技集團有限公司
Mr. Yuen Kwok Wai, Tony
Chairman

Hong Kong, 7 November 2019

As at the date of this announcement, the executive Directors are Mr. Yuen Kwok Wai, Tony, Ms. Yuen Mei Ling, Pauline, and Ms. Sun Ngai Chu, Danielle; the non-executive Director is Mr. Yam Chiu Fan, Joseph; and the independent non-executive Directors are Mr. Hui Man Ho, Ivan, Mr. Chung Billy and Mr. Mui Pak Kuen.

This announcement will remain on the "Latest Company Announcement" page of the GEM website (www.hkgem.com) for at least seven days from the date of its publication. This announcement will also be published and on the Company's website at (www.primeintelligence.com.hk).