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財華社
FINET

FINET GROUP LIMITED

財華社集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8317)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board of directors (the “**Directors**”) of Finet Group Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”, respectively) announces the unaudited financial results of the Group for the six months ended 30 September 2022.

This announcement, containing the full text of the 2022 interim report of the Company (the “**2022 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to information to accompany preliminary announcement of interim results. The printed version of the 2022 Interim Report containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.finet.hk in due course in the manner as required by the GEM Listing Rules.

By Order of the Board

Finet Group Limited

Lo Yuk Yee

Chairman and Executive Director

Hong Kong, 10 November 2022



CHARACTERISTICS OF THE 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of 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 higher market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Finet Group Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this report misleading.



RESULTS HIGHLIGHTS

- The Group reported the turnover of approximately HK\$13,366,000 for the six months ended 30 September 2022, representing an increase of approximately 59.5% from approximately HK\$8,380,000 for the same period in 2021.
- The Group's unaudited consolidated loss attributable to owners of the Company for the six months ended 30 September 2022 was approximately HK\$1,311,000 (six months ended 30 September 2021: approximately HK\$11,968,000).
- The Board does not recommend the payment of dividend for the six months ended 30 September 2022.

The board of Directors (the “Board”) is pleased to present the unaudited results of the Group for the three months and six months ended 30 September 2022, together with the comparative unaudited figures for the corresponding period in 2021 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 September 2022

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	3	5,968	4,186	13,366	8,380
Cost of sales		(402)	(196)	(722)	(360)
Gross profit		5,566	3,990	12,644	8,020
Other income and other losses	3	1,630	1,042	3,453	1,845
Selling and marketing expenses		(17)	(36)	(24)	(46)
General and administrative expenses		(7,668)	(10,313)	(15,398)	(19,673)
Finance costs	5	(189)	(232)	(391)	(454)
Profit/(loss) before income tax	6	(678)	(5,549)	284	(10,308)
Income tax expense	7	—	(37)	—	(76)
Profit/(loss) for the period		(678)	(5,586)	284	(10,384)
Profit/(loss) attributable to:					
Owners of the Company		(593)	(6,226)	(1,311)	(11,968)
Non-controlling interests		(85)	640	1,595	1,584
		(678)	(5,586)	284	(10,384)
Loss per share for loss attributable to owners of the Company during the period	9	(0.09)	(0.93)	(0.20)	(1.80)
— Basic and diluted (in HK cents)					

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

Notes	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Profit/(loss) for the period	(678)	(5,586)	284	(10,384)
Other comprehensive income/ (expense)				
Currency translation differences	532	(569)	955	(615)
Other comprehensive income/ (expense) for the period	532	(569)	955	(615)
Total comprehensive income/ (expense) for the period	(146)	(6,155)	1,239	(10,999)
Attributable to:				
Owners of the Company	(61)	(6,795)	(356)	(12,583)
Non-controlling interests	(85)	640	1,595	1,584
	(146)	(6,155)	1,239	(10,999)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

Notes	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
	1,230	1,555
Property, plant and equipment		
	3,723	5,617
Right-of-use assets		
	29,500	29,500
Investment properties		
	950	950
Intangible assets		
	205	205
Statutory deposits and other assets		
	35,608	37,827
Current assets		
	11,124	4,206
Trade receivables		
	5,224	3,744
Prepayments, deposits and other receivables		
	6,820	4,552
Amounts due from related companies		
	195	237
Client trust bank balances		
	10,773	17,584
Cash and cash equivalents		
	34,136	30,323
	69,744	68,150
Total assets		

	Notes	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Current liabilities			
Accounts payable	12	1,788	1,842
Contract liabilities		1,805	—
Accruals and other payables		6,831	5,014
Lease liabilities		3,575	3,678
Borrowings	13	10,986	12,342
		24,985	22,876
Net current assets		9,151	7,447
Total assets less current liabilities		44,759	45,274
Non-current liabilities			
Lease liabilities		209	1,965
Deferred tax liabilities		9,067	9,065
		9,276	11,030
Net assets		35,483	34,244
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	14	6,665	6,665
Reserves		34,022	34,378
		40,687	41,043
Non-controlling interests		(5,204)	(6,799)
Total equity		35,483	34,244

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

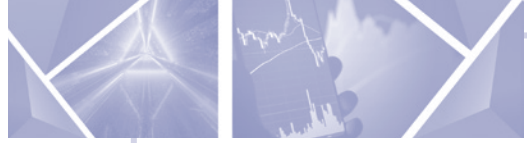
For the six months ended 30 September 2022

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Employee compensation reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 April 2021 (Audited)	6,665	320,095	4,870	674	3,757	2,523	9,989	(297,933)	50,640	(7,277)	43,363
Loss for the period	–	–	–	–	–	–	–	(11,968)	(11,968)	1,584	(10,384)
Other comprehensive expense											
Currency translation differences	–	–	–	–	–	(615)	–	–	(615)	–	(615)
Total comprehensive (expense)/income	–	–	–	–	–	(615)	–	(11,968)	(12,583)	1,584	(10,999)
Employee compensation reserve	–	–	–	303	–	–	–	–	303	–	303
As at 30 September 2021 (Unaudited)	6,665	320,095	4,870	977	3,757	1,908	9,989	(309,901)	38,360	(5,693)	32,667
As at 1 April 2022 (Audited)	6,665	320,095	4,870	1,316	3,757	1,384	9,989	(307,033)	41,043	(6,799)	34,244
Loss for the period	–	–	–	–	–	–	–	(1,311)	(1,311)	1,595	284
Other comprehensive income											
Currency translation differences	–	–	–	–	–	955	–	–	955	–	955
Total comprehensive (expense)/income	–	–	–	–	–	955	–	(1,311)	(356)	1,595	1,239
Employee compensation reserve	–	–	–	–	–	–	–	–	–	–	–
As at 30 September 2022 (Unaudited)	6,665	320,095	4,870	1,316	3,757	2,339	9,989	(308,344)	40,687	(5,204)	35,483

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Notes	For the six months ended 30 September	
		2022 HK\$'000	2021 HK\$'000
Net cash outflow from operating activities		(4,391)	(6,439)
Net cash outflow from investing activities		(36)	(298)
Repayment of loans from shareholder		—	(753)
Repayment of borrowings, interest and principal elements of lease payments		(2,186)	(1,801)
Net cash outflow from financing activities		(2,186)	(2,524)
Net decrease in cash and cash equivalents		(6,613)	(9,261)
Cash and cash equivalents, at beginning of the period		17,584	18,059
Effect of exchange rate changes, net		(198)	(315)
Cash and cash equivalents, at end of the period	12	10,773	8,483



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The principal activity of Finet Group Limited (the “Company”) is investment holding. The Company and its subsidiaries (together the “Group”) are principally engaged in (i) the development, production and provision of financial information, advertising and investor relationship service and technology solutions to corporate and retail clients in Hong Kong and People’s Republic of China (the “PRC”); (ii) provision of brokerage, underwriting and asset management; (iii) money lending business; and (iv) property investments.

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 24 June 2002. On 16 June 2011, the Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business is situated at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

The Company’s immediate and ultimate holding company is Maxx Capital International Limited incorporated in the British Virgin Islands (“BVI”) with limited liability and Pablos International Limited incorporated in the BVI with limited liability, respectively. The ultimate controlling party is Ms. LO Yuk Yee, who controls Pablos International Limited and is also the Chairman and executive Director of the Company.

The Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 7 January 2005.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the board of directors on 10 November 2022.



2. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the GEM Listing Rules.

The principal accounting policies and methods of computation used in the preparation of these accounts are consistent with those adopted in the preparation of the annual report of the Company for the year ended 31 March 2022.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets, which are carried at fair values.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual report, and should be read in conjunction with the Group’s annual report for the year ended 31 March 2022.

In the current reporting period, the Group has applied, for the first time, certain new standards, amendments to standards and interpretations issued by the HKICPA that are mandatorily effective for its accounting period beginning on 1 April 2022. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current year and prior year.

The Group has not yet applied new standards and amendments to existing standards that have been issued but not yet effective, and will apply such standards when they become effective. The Group anticipates that the application of the such new standards and amendments to existing standards have no material impact on the results and the financial position of the Group.

3. Revenue and Other Income and Other Losses

Revenue, which is also the Group's turnover, represents total invoiced value of goods supplied and services rendered. Revenue and other income and other losses recognised during the period are as follows:

	Unaudited			
	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Service income from provision of financial information services	53	54	128	190
Advertising and investor relationship service income	5,595	3,727	12,595	7,301
Brokerage commission and service income from securities business	1	14	2	106
Loan interest income	—	7	—	15
Rental income from investment properties	319	384	641	768
	5,968	4,186	13,366	8,380
Other income and other losses				
Income from sharing of administrative expenses	1,314	1,029	2,787	1,816
Government subsidies	—	—	312	—
Interest income	1	7	1	12
Sundry income	315	6	353	17
	1,630	1,042	3,453	1,845



4. Segment Information

The chief operating decision-maker has been identified as the executive directors of the Company (the "executive Directors"). The executive Directors have reviewed the Group's internal reports in order to assess the performance and allocate resources; they have also determined the operating segments based on these reports. The executive Directors have further considered the business from product perspective and have assessed the performance of four main business segments: (i) Financial information, advertising and investor relationship services business; (ii) Securities business; (iii) Money lending business; and (iv) Property investment.

At 30 September 2022, the Group is organized into four main operating segments:

- (i) Financial information, advertising and investor relationship service business — the development, production and provision of financial information service and technology solutions to corporate and retail clients in Hong Kong and the PRC, this segment also includes results of the media business, providing advertising, investor relationship and branding promotion and communication service;
- (ii) Securities business that specializes in the provision of brokerage, underwriting and asset management services;
- (iii) Money lending business; and
- (iv) Property investment business.



Segment results for the six months ended 30 September 2022 about these businesses are as follows:

	Unaudited				Group HK\$'000
	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	
Revenue	12,723	2	—	641	13,366
Segment results	1,556	(1,362)	(4)	485	675
Finance costs					(391)
Profit before income tax					284
Income tax expense					—
Profit for the period					284

Segment results for the six months ended 30 September 2021 about these businesses are as follows:

	Unaudited				
	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	Group HK\$'000
Revenue	7,491	106	15	768	8,380
Segment results	(8,812)	(1,127)	11	74	(9,854)
Finance costs					(454)
Loss before income tax					(10,308)
Income tax expense					(76)
Loss for the period					<u>(10,384)</u>



	For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers		
— Service income from provision of financial information services	128	190
— Advertising and investor relationship service income	12,595	7,301
— Brokerage commission and services income from securities business	2	106
	12,725	7,597
Represented by:		
Timing of revenue recognition		
— At a point in time	12,597	7,301
— Over time	128	296
	12,725	7,597
Revenue from other sources		
— Loan interest income	—	15
— Rental income from investment properties	641	768
	641	783
	13,366	8,380

The segment assets and liabilities at 30 September 2022 are as follows:

	Unaudited				Group HK\$'000
	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	
Assets	31,514	7,876	49	30,305	69,744
Liabilities	22,265	382	—	11,614	34,261

The segment assets and liabilities at 31 March 2022 are as follows:

	Audited				Group HK\$'000
	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	
Assets	31,199	7,161	51	29,739	68,150
Liabilities	22,472	388	—	11,046	33,906

5. Finance Costs

	Unaudited			
	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Interest expenses on				
— bank borrowings	156	217	318	436
— lease liabilities	33	15	73	18
	189	232	391	454

6. Profit/(Loss) Before Income Tax

	Unaudited			
	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Profit/(loss) before income tax is arrived at after charging:				
Expenses related to short-term leases/operating lease charges				
— in respect of rental premises	1,200	1,293	2,405	2,588
Depreciation of property, plant and equipment	145	199	302	624
Depreciation of right-of-use assets	914	140	1,832	377
Employee benefits expense (including directors' emoluments)	4,727	6,302	9,959	12,281

7. Income Tax Expense

No Hong Kong profits tax has been provided for the six months ended 30 September 2022 (2021: Nil) as the Group had no assessable profit arising in or derived from Hong Kong for the period.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Regulations on the Implementation of the EIT Law, the PRC subsidiaries are subject to Enterprise Income Tax of tax rate of 25%. No Enterprise Income Tax for the PRC subsidiary has been provided during the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

The PRC income tax of nil during the six months ended 30 September 2022 (six months ended 30 September 2021: approximately HK\$76,000) was mainly attributable to the net rental income from the investment properties of the Company in the PRC.

8. Dividend

The Board does not recommend the payment of dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

9. Loss Per Share

a) Basic

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the three months and six months ended 30 September 2022 of approximately HK\$593,000 and HK\$1,311,000 respectively (three months and six months ended 30 September 2021: loss of approximately HK\$6,226,000 and HK\$11,968,000 respectively) and on the weighted average number of 666,538,774 shares in issue during the three months and six months ended 30 September 2022 (three months and six months ended 30 September 2021: weighted average number of 666,538,774 shares in issue).

b) Diluted

The computation of diluted loss per share for the three months and six months ended 30 September 2022 and 2021 did not assume the exercise of the Company’s outstanding share options during those periods since they are anti-dilutive, as their exercise would result in a decrease in loss per share.

10. Trade Receivables

		Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Trade receivables	(i)	11,124	4,206

- (i) The credit terms granted by the Group to its customers range from 10 days to 90 days. An aging analysis of trade receivables by invoice day as at the end of the reporting period is as follows:

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
0-30 days	4,216	1,625
31-60 days	269	922
61-90 days	100	88
Over 90 days	6,539	1,571
	11,124	4,206

11. Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 30 September 2022:

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Cash at banks and on hand	10,773	17,584

12. Accounts Payable

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Accounts payable arising from securities broking		
— Clients	184	238
Other accounts payable	1,604	1,604
	1,788	1,842

An aging analysis of accounts payable to suppliers of financial information services business as at the end of the reporting period is as follows:

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Over 90 days	1,604	1,604

13. Borrowings

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Secured bank loans	10,986	12,342

The borrowings were pledged by certain investment properties and land and buildings of the Group and a personal guarantee was given by the chairman of the Company for the Group's certain borrowings as at 30 September 2022 and 31 March 2022 respectively.

The outstanding borrowing of approximately HK\$10,986,000 as at 30 September 2022 bore interest at a fixed rate of 5.4% per annum are denominated in Renminbi.

14. Share Capital

	Number of ordinary shares of HK\$0.01 each	Nominal value ordinary shares HK\$'000
Authorised:		
At 31 March 2022 and 30 September 2022	15,000,000,000	150,000
Issued and fully paid:		
At 31 March 2022 and 30 September 2022	666,538,774	6,665

15. Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following related party transactions during the period:

	Unaudited			
	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Income from financial information services received from Top 100 Hong Kong Listed Company Research Centre Company Limited <i>(note i)</i>	—	625	—	1,250
Incomes from sharing of administrative expenses received from International Links Limited <i>(note i)</i>	180	180	360	360
Incomes from sharing of administrative expenses received from Maxx Capital Finance Limited <i>(note i)</i>	508	371	1,072	777
Incomes from sharing of administrative expenses received from Top 100 Hong Kong Listed Companies Research Centre Company Limited <i>(note i)</i>	—	—	—	300
Income from sharing of administrative expenses received from China Hong Kong Finance Group Limited <i>(note i)</i>	700	178	1,429	379
Rental expenses paid to Cyber Feel Limited <i>(note i)</i>	810	1,014	1,620	2,028

Note:

- (i) International Links Limited, Maxx Capital Finance Limited, Top 100 Hong Kong Listed Companies Research Centre Company Limited, China Hong Kong Finance Group Limited and Cyber Feel Limited are beneficially owned by Ms. LO Yuk Yee, the chairman and the executive Director of the Company.

16. Event After the Reporting Period

Save as disclosed above, there were no any significant events subsequent to period end and up to the date of this report.



MANAGEMENT DISCUSSION AND ANALYSIS

We are an integrated platform hosting news media, public relationship and social networking services for listed companies and investors. We have 5 operation units, Finet.hk, FinTV.hk, Finet.com.cn, FinTV APP and Finet Finance Pro APP which are formed by 3 websites and 2 mobile applications. Our primary focus of our operations is in Financial PR and branding for listed companies. We operate the following business segments:

Financial Information, Advertising and Investor Relationship Service Business

The service income generated from the advertising and investor relationship business continues to be the major source of revenue of our Group. The increase in the six months ended 30 September 2022 (the "Current Period") is due to the expectation of slowing down of epidemic and resumption of quarantine-free travel between the Mainland China and Hong Kong from the customers, and want to deploy ahead of time to increase online exposure, and thus leading to increase the demand.

Service income from provision of financial information service business was relatively insignificant in recently years.

Property Investment Business

The investment properties in the People's Republic of China ("PRC") continued to provide income to the Group.

Securities Business

Due to the keen competition within the market, the Group's securities business is still a challenging task in the Current Period.

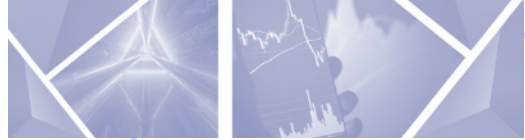
Money Lending Business

Loan interest income from the money lending business generated during the six months ended 30 September 2022 was nil (six months ended 30 September 2021: approximately HK\$15,000).

Financial Review

The Group reported the turnover of approximately HK\$13,366,000 for the six months ended 30 September 2022, representing an increase of approximately 59.5% from approximately HK\$8,380,000 for the same period in 2021.

During the Current Period, the Group recorded cost of sales amounting to approximately HK\$722,000, representing an increase of 100.6% from approximately HK\$360,000 for the same period in 2021.



Other income and other losses of the Group for the six months ended 30 September 2022 was a gain of approximately HK\$3,453,000 (six months ended 30 September 2021: approximately HK\$1,845,000). The increase was mainly attributable to (i) increase in government subsidies of approximately HK\$312,000, mainly from the Employment Support Scheme in Hong Kong, and (ii) increase in income from sharing of administrative expenses of approximately HK\$971,000.

General and administrative expenses of the Group for the six months ended 30 September 2022 was approximately HK\$15,398,000 (six months ended 30 September 2021: approximately HK\$19,673,000), which represented a decrease of approximately 21.7% when compared to the same period of 2021. The decrease was mainly due to the decrease in staff costs and professional fee.

Finance costs for the six months ended 30 September 2022 was approximately HK\$391,000 (six months ended 30 September 2021: approximately HK\$454,000), which represented interest expenses on bank borrowings and lease liabilities. Finance costs for the six months ended 30 September 2022 included approximately HK\$318,000 of interest expenses on bank borrowings and approximately HK\$73,000 of interest expenses on lease liabilities.

The Group's unaudited consolidated loss attributable to the owners of the Company for the six months ended 30 September 2022 was approximately HK\$1,311,000 (six months ended 30 September 2021: loss of approximately HK\$11,968,000).

Liquidity and Financial Resources

At 30 September 2022, the net current assets of the Group was approximately HK\$9,151,000 (At 31 March 2022: approximately HK\$7,447,000); the total equity of the Group was approximately HK\$35,483,000 (At 31 March 2022: approximately HK\$34,244,000); the cash and cash equivalents of the Group was approximately HK\$10,773,000 (At 31 March 2022: approximately HK\$17,584,000); and no unutilised banking facilities of the Group (At 31 March 2022: Nil).

Borrowings

At 30 September 2022, the Group had total outstanding bank borrowings of approximately of HK\$10,986,000 (At 31 March 2022: approximately HK\$12,342,000).

Charges of Assets

At 30 September 2022, certain property, plant and equipment of the Group with aggregate carrying value of approximately HK\$29,500,000 (At 31 March 2022: approximately HK\$29,500,000) were pledged as securities for the borrowing facilities of the Group.



Gearing Ratio

The Group's gearing ratio, representing net debt (bank borrowings and lease liabilities less cash and cash equivalents) divided by total equity, was approximately 11.3% as at 30 September 2022 (At 31 March 2022: approximately 1.2%).

Prospect

We will continue to allocate our resources to strengthen our leading position in providing financial news services. With our competitive edge and strength arising from our integrated multiple platforms in our three vertical websites and two mobile App (Finet.hk, FinTV.hk, Finet.com.cn, FinTV APP, Finet Finance Pro APP), we can achieve a further improvement in our market share in the media industry in China and Hong Kong, and further strengthen our digital marketing business development.

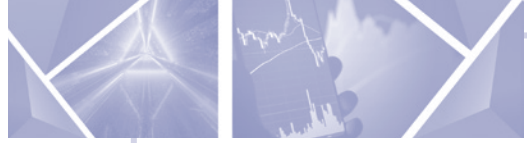
We will continue to strengthen our sales and marketing team to boost and diversify the Group revenue. Moreover, FinTV is expected to provide strong support to our investor relationship business ("IR business"). IR business is expected to become our profitable stream of the Group in the coming years. IR business will both cover the listed companies and pre-IPO assignments. The services that we have been providing include the followings: (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; (5) news distribution for the listed companies and pre-IPO assignments; and (6) online results announcement.

Our outstanding FinTV production team will continue to support the growth and expansion of our IR business.

The Group continues to host the TOP 100 HK Listed Companies selection events that created a strong foundation for us to develop the event management business and to achieve lots of reputation and recognition in China including Hong Kong.

Meanwhile, Finet Securities Limited ("Finet Securities"), our securities arm, continue to expand our services including discretionary portfolio management, investment advisory and management of private funds. Finet Securities is expected to generate satisfactory management fee and performance fee income from fund management business in near future.

The board of Directors (the "Board") acknowledges that the global economy, Mainland China and Hong Kong stock market will continue to face significant challenges and uncertainties. Besides, the mainland China is imposing sporadic lockdown and restriction measures to control the epidemic, which remains to be a barrier to the economic recovery. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performances of the equity investments and the changes of market condition.



Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Associated Companies

As at 30 September 2022, there was no significant investments held which exceed 5% of the total assets of the Group.

The Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the reporting period.

Exposure to Fluctuation in Exchange Rates

The Group holds investment properties in Renminbi. The Group is therefore exposed to currency risks, as the rental income will fluctuate due to change in exchange rates. The risk of currency exposure is considered to be insignificant by the Directors and specific hedges may be taken out if necessary in the future.

Contingent Liabilities

At 30 September 2022, the Group had no significant contingent liabilities (At 31 March 2022: Nil).

Employee Information

At 30 September 2022, the Group had 58 (At 31 March 2022: 79) full-time employees (including directors) in Hong Kong and the PRC.

The total staff costs (including Directors' remuneration) for the six months ended 30 September 2022 was approximately HK\$9,959,000 (six months ended 30 September 2021: approximately HK\$12,281,000). Other benefits provided by the Group to the employees include contribution to the mandatory provident fund under the Mandatory Provident Fund Schemes Ordinance and medical coverage.

Event After the Reporting Period

Save as disclosed above, there were no significant events subsequent to period end and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2022, the interests and short positions of the Directors and the 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 (the "SFO")) as 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 required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company and its associated corporations

Name of Director	Name of Group member/ associated corporations	Number of shares and capacity in which the shares were held		% of shares in issue (Note 2)
		Beneficial owner	Interest of controlled corporation	
Executive Director: Ms. LO Yuk Yee ("Ms. LO")	The Company	43,458,058 (L)	391,597,678 (L)	65.27%
Ms. LO	Maxx Capital International Limited ("Maxx Capital") (Note 1)	—	2 ordinary shares	100%
Ms. LO	Pablos International Limited ("Pablos") (Note 1)	1,000 ordinary shares	—	100%

(L) denotes long positions

Notes:

- 391,597,678 ordinary shares were held by Maxx Capital which was wholly-owned by Pablos, and Pablos was wholly owned by Ms. LO. 33,000,000 and 14,600,000 shares were held by Wise Capital International Limited and Shine Kingdom Inc Limited respectively. Accordingly, Ms. LO were deemed by virtue of the SFO to be interested in 435,055,736 ordinary shares.
- As at 30 September 2022, the Company had 666,538,774 ordinary shares in issue.

Save as disclosed above, as at 30 September 2022, none of the Directors or chief executive of the Company nor their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as 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 required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITION IN THE SHARES OF THE COMPANY

As at 30 September 2022, so far as the Directors are aware, persons other than Directors or chief executives of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, were as follows:

Long Positions in the Shares and Underlying Shares of the Company

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage of existing shareholding (Note 2)
Substantial shareholders			
Pablos (Note 1)	Interest of Controlled Corporation	391,597,678 (L)	58.75%
Maxx Capital (Note 1)	Beneficial Owner	391,597,678 (L)	58.75%
Broadgain International Limited	Beneficial Owner	47,052,000 (L)	7.06%
WANG Yuan	Beneficial Owner	39,000,000 (L)	5.85%

(L) denotes long positions

Notes:

- 391,597,678 ordinary shares were held by Maxx Capital, which was wholly-owned by Pablos and Pablos was wholly-owned by Ms. LO, a director of the Company. Ms. LO is a director of each of Maxx Capital and Pablos.
- As at 30 September 2022, the Company had 666,538,774 ordinary Shares in issue.

OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS

Save as disclosed above, the Directors are not aware of other person who, as at 30 September 2022, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

MOVEMENT OF OPTIONS

Details of movements of the share options granted under the share option scheme adopted on 4 September 2014 for the six months ended 30 September 2022 are as follows:

Name of grantee	Date of grant <i>(Note 1)</i>	Exercise price	Number of share options			Balance as at 30 September 2022
			Balance as at 1 April 2022	Granted during the period	Forfeited during the period	
Employee	1 December 2020	HK\$0.64	16,900,000	—	(5,400,000)	11,500,000

Note:

- For share options granted on 1 December 2020

Validity period: From 1 December 2020 ("Date of grant") to 3 September 2024 (both days inclusive)

Vesting period: 2 years after 1 December 2020 100%

COMPETING INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the six months ended 30 September 2022.



AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in accordance with Rule 5.28 and 5.29 of the GEM Listing Rules. The audit committee of the Company comprises three members who are independent non-executive directors, namely, Mr. WONG Wai Kin (Chairman), Mr. WONG Kwok Yin and Mr. CHU Ka Chung, with written terms of reference in accordance with code provision D.3.3 and D.3.7 of the CG Code.

The principal duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control procedures of the Group.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been reviewed by the audit committee of the Company.

DIRECTORS' INTEREST IN CONTRACTS

Except for the transactions stated in Note 15 to the unaudited condensed consolidated financial statements, no contracts of significance in relation to the Group's business to which the Group was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the six months ended 30 September 2022 or at any time during such period (2021: Nil).

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the six months ended 30 September 2022. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions throughout the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 September 2022.



CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 15 to the GEM Listing Rules during the six months ended 30 September 2022, except for the following deviation:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be the same individual. Ms. Lo Yuk Yee is the chairman of our Board and she has been managing the Group’s business and supervising the overall operations of the Group since 2011. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Ms. Lo is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider separating the roles of the chairman of the Board and the chief executive officer at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company has not arranged insurance cover in respect of legal action against its directors as the Board considers that the Board adopts prudent management policy. The needs for insurance policy will be reviewed from time to time.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the Group’s customers, business partners and shareholders for their continuous support for and trust in the Group. The Board also wishes to express its heartfelt appreciation to all of the staff of the Group for their dedication and hard work throughout the period.

By Order of the Board

LO Yuk Yee

Chairman and executive Director

Hong Kong, 10 November 2022

As at the date of this report, the executive Directors are Ms. LO Yuk Yee and Ms. CHEN Weijie; and the independent non-executive Directors are Mr. WONG Wai Kin, Mr. WONG Kwok Yin and Mr. CHU Ka Chung.

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee and Ms. Chen Weijie; and the independent non-executive Directors are Mr. Wong Wai Kin, Mr. Wong Kwok Yin and Mr. Chu Ka Chung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page on the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.finet.hk.