



財華社
FINET

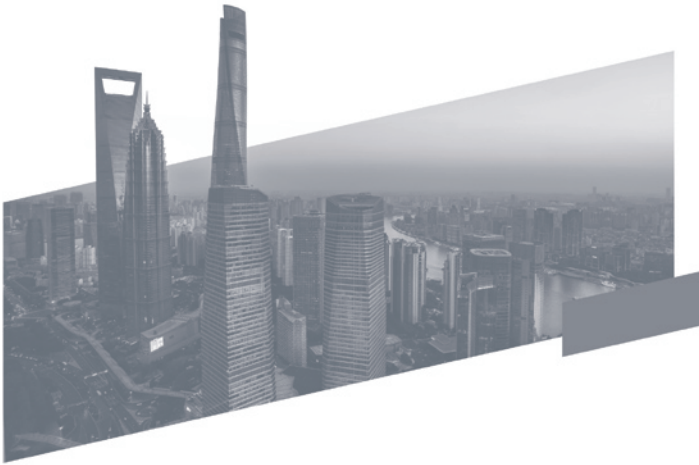
Finet Group Limited

(Continued in Bermuda with limited liability)
(Stock Code: 08317)

MOVING FORWARD

- HONG KONG
- SHENZHEN
- BEIJING

2023/2024
First Quarterly Report



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 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.

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

This report, for which the directors (the “Directors”) of 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.



CONTENTS

Corporate Information	3
Highlights	4
Unaudited Condensed Consolidated Statement of Profit or Loss	5
Unaudited Condensed Consolidated Statement of Comprehensive Income	6
Notes to the Unaudited Condensed Consolidated Financial Statements	7
Management Discussion and Analysis	12
Other Information	15

BOARD OF DIRECTORS

Executive Directors

Ms. Lo Yuk Yee (*Chairman*)

Ms. Chen Weijie

Independent non-Executive Directors

Mr. Wong Wai Kin

Mr. Wong Kwok Yin

Mr. Chu Ka Chung

AUDIT COMMITTEE

Mr. Wong Wai Kin (*Chairman*)

Mr. Wong Kwok Yin

Mr. Chu Ka Chung

REMUNERATION COMMITTEE

Mr. Wong Kwok Yin (*Chairman*)

Ms. Lo Yuk Yee

Mr. Wong Wai Kin

NOMINATION COMMITTEE

Ms. Lo Yuk Yee (*Chairman*)

Mr. Wong Wai Kin

Mr. Wong Kwok Yin

CORPORATE GOVERNANCE COMMITTEE

Mr. Chu Ka Chung (*Chairman*)

Mr. Wong Wai Kin

Mr. Wong Kwok Yin

COMPANY SECRETARY

Ms. Cheung Yin, *HKICPA*

AUTHORISED REPRESENTATIVES

Ms. Lo Yuk Yee

Ms. Cheung Yin

COMPLIANCE OFFICER

Ms. Lo Yuk Yee

REGISTERED OFFICE IN THE BERMUDA

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F, Fortis Tower,

77-79 Gloucester Road,

Wanchai,

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

46/F., Hope Well Centre

183 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

Crowe (HK) CPA Limited

Certified Public Accountants

COMPANY'S WEBSITE

www.finet.hk

STOCK CODE

8317

RESULTS HIGHLIGHTS

- The Group reported a turnover of approximately HK\$4,321,000 for the three months ended 30 June 2023, representing a decrease of approximately 41.6% from approximately HK\$7,398,000 for the three months ended 30 June in 2022.
- The Group recorded a net profit attributable to owners of the Company of approximately HK\$804,000 for the three months ended 30 June 2023, as compared to a net loss attributable to owners of the Company of approximately HK\$718,000 recorded for the three months ended 30 June 2022.
- The Board does not recommend the payment of dividend for the three months ended 30 June 2023.

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2023, together with the comparative unaudited figures for the corresponding period in 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 30 June 2023

		Unaudited For the three months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
	Notes		
Revenue	3	4,321	7,398
Cost of sales		(133)	(320)
Gross profit		4,188	7,078
Other income and other losses	3	1,528	1,823
Selling and marketing expenses		(25)	(7)
General and administrative expenses		(5,876)	(7,730)
Finance costs		(19)	(202)
(Loss)/Profit before income tax		(204)	962
Income tax expense	4	—	—
(Loss)/Profit for the period		(204)	962
(Loss)/Profit for the period attributable to:			
— Owners of the Company		804	(718)
— Non-controlling interests		(1,008)	1,680
		(204)	962
Profit/(loss) per share for profit/(loss) attributable to owners of the Company during the period			
— Basic and diluted <i>(in HK cents)</i>	6	0.12	(0.11)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2023

	Unaudited For the three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
(Loss)/Profit for the period	(204)	962
Other comprehensive (expense)/income:		
Currency translation differences	(40)	423
Other comprehensive (expense)/income for the period, net of tax	(40)	423
Total comprehensive (expense)/income for the period	(244)	1,385
Total comprehensive (expense)/income for the period attributable to:		
— Owners of the Company	764	(295)
— Non-controlling interests	(1,008)	1,680
	(244)	1,385

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Finet Group Limited (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 services and technology solutions to corporate and retail clients in Hong Kong and the People’s Republic of China (the “PRC”); (ii) provision of brokerage, underwriting and asset management services; (iii) money lending business; and (iv) property investments. The principal activity of the Company is investment holding.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. 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 parent company is Maxx Capital International Limited, which is wholly owned by Pablos International Limited. The ultimate controlling party is Ms. LO Yuk Yee, the chairman and executive director of the Company, through her ownership in Pablos International Limited.

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 12 August 2022.

2. Basis of Preparation

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) 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 2023.

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

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 2023.

In the current reporting period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2022.

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

3. Revenue and Other Income and Other Losses

An analysis of the Group's revenue for the three months ended 30 June 2023 and 2022 are as follows:

	Unaudited For the three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Revenue		
Service income from provision of financial information service	64	75
Advertising and investor relationship service income	3,947	7,000
Commission from brokerage and underwriting services	1	1
Rental income from investment properties	309	322
	4,321	7,398
Other income and other losses		
Income from sharing of administrative expenses	1,253	1,473
Government subsidies	—	312
Interest income	4	—
Sundry income	271	38
	1,528	1,823

4. Income Tax Expense

No Hong Kong profits tax has been provided for the three months ended 30 June 2023 (2022: Nil) as the Group had no assessable profit arising in or derived from Hong Kong for the period.

No PRC income tax was paid/payable during the three months ended 30 June 2023 (2022: Nil) for the net rental income from the investment properties of the Company in the PRC.

5. Dividend

The Board does not recommend the payment of dividend for the three months ended 30 June 2023 (2022: Nil).

6. Profit/(loss) Per Share

(a) Basic

Basic profit/(loss) per share is calculated by dividing the profit attributable to owners of the Company for the three months ended 30 June 2023 of approximately HK\$804,000 (2022: HK\$718,000) by the number of 666,538,774 (2022: 666,538,774) ordinary shares in issue during the period.

(b) Diluted

The computation of diluted profit/(loss) per share for the three months ended 30 June 2023 and 2022 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 an increase in profit per share.

7. Movement of Reserves

For the three months ended 30 June 2023

	Attributable to owners of the Company											
	Share capital	Share premium	Merger reserve	Employee compensation reserve		Other reserve	Translation reserve	Property revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
				HK\$'000	HK\$'000							
Balance at 31 March 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	–	–	–	–	–	–	–	(718)	(718)	1,680	962	
Other comprehensive income												
Currency translation differences	–	–	–	–	–	423	–	–	423	–	423	
Total other comprehensive income	–	–	–	–	–	423	–	–	423	–	423	
Total comprehensive income/(expenses)	–	–	–	–	–	423	–	(718)	(295)	1,680	1,385	
Employee compensation reserves	–	–	–	–	–	–	–	–	–	–	–	
Balance at 30 June 2022 (Unaudited)	6,665	320,095	4,870	1,316	3,757	1,807	9,989	(307,761)	40,748	(5,119)	35,629	
Balance at 31 March 2023 (Audited)	6,665	320,095	4,870	1,728	3,757	2,016	9,989	(323,374)	25,746	(6,692)	19,054	
Profit/(loss) for the period	–	–	–	–	–	–	–	804	804	(1,008)	(204)	
Other comprehensive income												
Currency translation differences	–	–	–	–	–	(40)	–	–	(40)	–	(40)	
Total other comprehensive income	–	–	–	–	–	(40)	–	–	(40)	–	(40)	
Total comprehensive income/(expenses)	–	–	–	–	–	(40)	–	804	764	(1,008)	(244)	
Recognition of equity settled share-based Payment	–	–	–	–	–	–	–	–	–	–	–	
Balance at 30 June 2023 (Unaudited)	6,665	320,095	4,870	1,728	3,757	1,976	9,989	(322,570)	26,510	(7,700)	18,810	

8. 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 June	
	2023	2022
	HK\$'000	HK\$'000
Income from financial information services received from Top 100 Hong Kong Listed Companies Limited ("Top 100") (Note i)	3,000	—
Income from sharing of administrative expenses received from International Links Limited (Note i)	180	180
Income from sharing of administrative expenses received from Maxx Capital Finance Limited (Note i)	47	564
Income from sharing of administrative expenses received from China Hong Kong Finance Group Limited (Note i)	602	729
Rental expenses paid to Cyber Feel Limited (Note i)	270	810

Note:

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

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.

Financial Information, Advertising and Investor Relationship Service Business

The service income generated from advertising and investor relationship business continues to be the major source of revenue of our Group.

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

Media Business

In addition to the production and distribution of programmes through the branding “FinTV”, the Group also engaged in investor relationship business and creative advertising. For the purpose of segment reporting in this annual results, the results of the media business has been included in the “Financial information, advertising and investor relationship service business” segment.

Securities Brokerage and Assets Management Business

The Group through its wholly-owned subsidiary, Finet Securities Limited, holds licence under the Securities and Futures Ordinance (“Licence”), to engage in Type 1, 4 and 9 regulated activities. The Group focuses on securities brokerage, underwriting and asset management businesses.

Property Investment Business

The investment properties in the PRC continued to provide income and result a positive contribution to the financial results of the Group.

Money Lending Business

The Group holds Money Lenders Licence to engage in money lending business for providing loan and financing to customers. In order to minimize the default risk of loan receivable, we need to tighten our internal works of credit control measurement. The difficulties in granting loan became higher and relevant income is insignificant in recent years.

Financial Review

The Group reported a turnover of approximately HK\$4,321,000 for the three months ended 30 June 2023, representing a decrease of approximately 41.6% from approximately HK\$7,398,000 for the same period in 2022. Such decrease was mainly driven by advertising in the market.

Other income and other losses for the three months ended 30 June 2023 was a gain of approximately HK\$1,528,000 (2022: approximately HK\$1,823,000), which represented a decrease of approximately 16.2% compared to that of last year. The decrease was mainly due to no government subsidies from the Employment Support Scheme in Hong Kong.

During the three months ended 30 June 2023, the Group recorded cost of sales amounting to approximately HK\$133,000 representing an increase of approximately 58.4% from approximately HK\$320,000 for the same period in 2022.

General and administrative expenses for the three months ended 30 June 2023 was approximately HK\$5,876,000 (2022: approximately HK\$7,730,000), which represented a decrease of approximately 24.0% compared to that of last year mainly due to decrease in staff costs.

Finance cost for the three months ended 30 June 2023 were no interest expenses on bank borrowings (2022: approximately HK\$162,000) and the interest expenses on lease liabilities of approximately HK\$19,000 (2022: approximately HK\$11,000). The decrease was due to repaid all bank borrowings in December 2022.

The Group's unaudited consolidated profit attributable to the owners of the Company for the three months ended 30 June 2023 was approximately HK\$804,000 (2022: loss approximately HK\$718,000).

Significant Investment Held, Material Acquisition and Disposal of Subsidiaries

During the period ended 30 June 2023, the Group did not have significant investments or material acquisitions or disposals (At 31 March 2023: Nil).

Charges of Assets

As at 30 June 2023, the Group's property, plant and equipment and investment property with an aggregate carrying value of nil (At 31 March 2023: HK\$27,260,000) was pledged as security for the banking facilities of the Group.

Dividend

The Board does not recommend the payment of a dividend for the three months ended 30 June 2023 (for the three months ended 30 June 2022: Nil).

Exposure to Fluctuation in Exchange Rates

The Group holds investment properties in Renminbi. The Group is therefore exposed to currency risks, as the value of the assets will fluctuate due to change in exchange rates.

Contingent Liabilities

At 30 June 2023, the Group had no significant contingent liabilities (At 31 March 2023: Nil).

Employee Information

At 30 June 2023, the Group had 54 (At 31 March 2023: 58) full-time employees in Hong Kong and the PRC.

The total staff costs (including Directors' remuneration) for the three months ended 30 June 2023 was approximately HK\$3,503,000 (2022: approximately HK\$5,204,000). 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.

EVENTS AFTER THE REPORTING PERIOD

A special general meeting was held on 14 June 2023, at which resolutions were passed in relation to the Rights Issue on the basis of one (1) Rights Shares of every two (2) existing shares on the record date. The gross proceeds raised from the Rights Issue were approximately HK\$33.3 million and the net proceeds from the Rights Issue (after deducting the placing fee and other related expenses of approximately HK\$0.8 million) were approximately HK\$32.5 million.

For the details in relation to the Rights Issue, please refer to the announcement of the Company dated 26 April 2023, 5 May 2023, 11 June 2023, 10 July 2023 and 20 July 2023 and the circular of the Company dated 10 July 2023.

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

USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to the announcements of the Company dated 26 April 2023, 5 May 2023, 11 June 2023, 10 July 2023 and 20 July 2023 and the circular of the Company dated 10 July 2023.

The net proceeds (after deducting the placing fee and other related expenses incurred in the Rights Issue) was approximately HK\$32.5 million. During the three months ended 30 June 2023, the Company had not applied the net proceeds according to the disclosure as set out in the announcement dated 20 July 2023 (the "Announcement").

Details of the use of the net proceeds from the Rights Issue for the three months ended 30 June 2023 are as follows:

	Planned use of net proceeds as stated in the Announcement	Actual use of net proceeds up to 30 June 2023	Net proceeds utilised during the three months ended 30 June 2023	Unutilised net proceeds as at 30 June 2023	Expected timeline for utilising the unutilised net proceeds
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Set-off the Shareholder's Loan	22,500	—	—	22,500	July 2023
Expansion of the IR business	9,000	—	—	9,000	March 2024
General working capital	1,000	—	—	1,000	September 2023
Total	32,500	—	—	32,500	


OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining a high standard of corporate governance. The corporate governance principles of the Company emphasize a quality board, sound internal control and transparency and accountability to all shareholders.

The Board has reviewed the Company's corporate governance practices and is of the opinion that the Company has met the provisions set out in the Corporate Governance Code ("CG Code"), contained in Appendix 15 to the GEM Listing Rules throughout the three months ended 30 June 2023, except for the following deviation:

Code provision A.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 was the chairman of the Company since 25 January 2011. Mr. LUM Chor Wah, Richard was appointed as an executive Director and chief executive officer of the Company on 30 September 2010 until 28 June 2011. Thereafter, the post of chief executive officer was vacant and its roles and responsibilities were shared amongst the members of the Board. The Board is presently identifying a suitable candidate to be appointed as the chief executive officer and will make an announcement upon the appointment.



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.

DIRECTORS' INTEREST IN CONTRACTS

Except for the transactions stated in Note 8 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 three months ended 30 June 2023 or at any time during such period (2022: 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 three months ended 30 June 2023. 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 three months ended 30 June 2023.

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 three months ended 30 June 2023.

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

As at 30 June 2023, 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 <i>(Note 2)</i>
		Beneficial owner	Interest of controlled corporation	
Executive Directors:				
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") <i>(Note 1)</i>	—	2 ordinary shares	100%
Ms. LO	Pablos International Limited ("Pablos") <i>(Note 1)</i>	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. Accordingly, Ms. LO were deemed by virtue of the SFO to be interested in 435,055,736 ordinary shares.
- As at 30 June 2023, the Company had 666,538,774 ordinary shares in issue.

Save as disclosed above, as at 30 June 2023, 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 June 2023, 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 Substantial Shareholders	Capacity	Number of Shares held	Approximate percentage of existing shareholding (Note 2)
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 June 2023, 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 June 2023, 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.

MOVEMENTS OF OPTIONS

Details of movements of the share options granted under the share option scheme adopted on 4 September 2014 for the three months ended 30 June 2023 are as follows:

Name of grantee	Date of grant <i>(Note 1)</i>	Exercise price	Number of share options			Balance as at 30 June 2023
			Balance as at 1 April 2023	Granted during the period	Forfeited during the period	
Employee	1 December 2020	HK\$0.64	11,200,000	—	(1,800,000)	9,400,000

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

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 three months ended 30 June 2023.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in accordance with Rule 5.28 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, Mr. WONG Kwok Yin and Mr. Chu Ka Chung with Mr. WONG Wai Kin as the chairman thereof.

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 three months ended 30 June 2023 have been reviewed by the audit committee of the Company.

By Order of the Board

LO Yuk Yee

Chairman and Executive Director

Hong Kong, 14 August 2023

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.