



仍志集團控股有限公司
WISDOMCOME GROUP HOLDINGS LIMITED

(formerly known as “Easy Repay Finance & Investment Limited (易還財務投資有限公司) ”)

(Continued into Bermuda with limited liability)

(Stock code: 8079)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**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 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, 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 announcement.

This announcement, for which the directors (the “Directors”) of Wisdomcome Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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.

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2023 was approximately HK\$24.9 million (six months ended 30 September 2022: HK\$42.0 million).
- Loss attributable to owners of the Company for the six months ended 30 September 2023 was approximately HK\$18.1 million (six months ended 30 September 2022: HK\$8.4 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

INTERIM RESULTS

The Board of the Company present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2023, together with the comparative figures for the corresponding period in 2022 as follows:

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

| | Notes | For the three months ended 30 September | | For the six months ended 30 September | |
|--|-------|--|------------------|--|------------------|
| | | 2023 HK\$'000 | 2022 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 |
| Revenue | 2 | 13,450 | 20,025 | 24,937 | 42,013 |
| Cost of sales | | <u>(7,316)</u> | <u>(9,986)</u> | <u>(13,598)</u> | <u>(18,782)</u> |
| Gross profit | | 6,134 | 10,039 | 11,339 | 23,231 |
| Investment and other income | 2 | 388 | 2,232 | 738 | 3,196 |
| Other gains and losses, net | 2 | (459) | (718) | (367) | (1,340) |
| Servicing, selling and distribution costs | | (1,274) | (1,438) | (2,724) | (3,311) |
| Administrative expenses | | <u>(13,395)</u> | <u>(14,338)</u> | <u>(26,606)</u> | <u>(29,765)</u> |
| Operating loss | | (8,606) | (4,223) | (17,620) | (7,989) |
| Finance costs | | (165) | (190) | (253) | (392) |
| Share of results of associates | 9 | <u>254</u> | <u>21</u> | <u>(265)</u> | <u>13</u> |
| Loss before tax | 4 | (8,517) | (4,392) | (18,138) | (8,368) |
| Income tax | 5 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Loss for the period and total comprehensive loss for the period | | <u>(8,517)</u> | <u>(4,392)</u> | <u>(18,138)</u> | <u>(8,368)</u> |

| | For the three months ended 30 September | | For the six months ended 30 September | |
|---|--|-----------------------|--|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Notes | | | | |
| Loss for the period and total comprehensive loss for the period attributable to: | | | | |
| Owners of the Company | (8,471) | (4,392) | (18,092) | (8,368) |
| Non-controlling interests | (46) | – | (46) | – |
| | <u>(8,517)</u> | <u>(4,392)</u> | <u>(18,138)</u> | <u>(8,368)</u> |
| Loss per share attributable to owners of the Company | | | | |
| Basic and diluted | 7 <u>(HK1.71 cents)</u> | <u>(HK1.56 cents)</u> | <u>(HK3.66 cents)</u> | <u>(HK3.01 cents)</u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

| | | As at 30 September 2023 (Unaudited) <i>HK\$'000</i> | As at 31 March 2023 (Audited) <i>HK\$'000</i> |
|---|----|---|---|
| <i>Notes</i> | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 9,204 | 10,930 |
| Goodwill | | 3,360 | 1,344 |
| Interests in associates | 9 | 2,881 | 1,688 |
| Right-of-use assets | | 3,450 | 6,508 |
| Deposits, prepayments, other receivables and other assets | | 224 | 1,545 |
| Loans and advances to customers | 11 | 47,452 | 30,738 |
| | | 66,571 | 52,753 |
| Current assets | | | |
| Inventories | | 12,456 | 10,733 |
| Trade receivables | 12 | 14,764 | 12,823 |
| Deposits, prepayments, other receivables and other assets | | 31,880 | 21,817 |
| Loans and advances to customers | 11 | 19,883 | 32,213 |
| Financial assets at fair value through profit or loss ("FVTPL") | 10 | 35,763 | 32,571 |
| Cash and cash equivalents | 13 | 8,197 | 25,820 |
| | | 122,943 | 135,977 |

| | As at 30 September 2023 (Unaudited) <i>HK\$'000</i> | As at 31 March 2023 (Audited) <i>HK\$'000</i> |
|---|---|---|
| <i>Notes</i> | | |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 14,295 | 7,779 |
| Contract liabilities | 1,232 | 1,110 |
| Lease liabilities | 3,704 | 5,454 |
| Tax payable | 14 | 14 |
| Borrowings | <u>1,200</u> | <u>1,200</u> |
| | <u>20,445</u> | <u>15,557</u> |
| Net current assets | <u>102,498</u> | <u>120,420</u> |
| Total assets less current liabilities | <u>169,069</u> | <u>173,173</u> |
| Non-current liabilities | | |
| Lease Liabilities | <u>–</u> | <u>1,467</u> |
| | <u>–</u> | <u>1,467</u> |
| Net assets | <u><u>169,069</u></u> | <u><u>171,706</u></u> |
| EQUITY | | |
| Equity attributable to owners of the Company | | |
| Share capital | 14 5,186 | 4,326 |
| Reserves | <u>163,883</u> | <u>167,380</u> |
| Total equity | <u><u>169,069</u></u> | <u><u>171,706</u></u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2023

| | Equity attributable to the owners of the Company | | | | | | Non- controlling interests | Total equity |
|--|--|------------------|-----------------------|---------------------|------------------------|-----------------|----------------------------------|-----------------|
| | Share capital | Share premium | Accumulated losses | Capital reserves | Contributed surplus | Total | | |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Balance at 1 April 2022 | 2,404 | 360,009 | (334,289) | 29,320 | 145,926 | 203,370 | - | 203,370 |
| Loss for the period and total comprehensive loss for the period | - | - | (8,368) | - | - | (8,368) | - | (8,368) |
| Rights issue | 1,201 | 13,220 | - | - | - | 14,421 | - | 14,421 |
| Transaction costs attribute to rights issue | - | (1,800) | - | - | - | (1,800) | - | (1,800) |
| Balance at 30 September 2022 | <u>3,605</u> | <u>371,429</u> | <u>(342,657)</u> | <u>29,320</u> | <u>145,926</u> | <u>207,623</u> | <u>-</u> | <u>207,623</u> |
| Balance at 1 April 2023 | 4,326 | 380,527 | (388,393) | 29,320 | 145,926 | 171,706 | - | 171,706 |
| Loss for the period and total comprehensive loss for the period | - | - | (18,092) | - | - | (18,092) | (46) | (18,138) |
| Issue of new shares | 860 | 16,340 | - | - | - | 17,200 | - | 17,200 |
| Share issuance expenses | - | (1,699) | - | - | - | (1,699) | - | (1,699) |
| Balance at 30 September 2023 | <u>5,186</u> | <u>395,168</u> | <u>(406,485)</u> | <u>29,320</u> | <u>145,926</u> | <u>169,115</u> | <u>(46)</u> | <u>169,069</u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS**

| | For the six months ended 30 September | |
|--|--|--|
| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> |
| Net cash used in operating activities | (24,411) | (6,512) |
| Net cash used in investing activities | (8,113) | (4,182) |
| Net cash generated from financing activities | <u>14,901</u> | <u>6,166</u> |
| Net decrease in cash and cash equivalents | (17,623) | (4,528) |
| Cash and cash equivalents at the beginning of period | <u>25,820</u> | <u>21,684</u> |
| Cash and cash equivalents at the end of period | <u><u>8,197</u></u> | <u><u>17,156</u></u> |
| Analysis of the balances of cash and cash equivalents | | |
| Short-term bank deposits and cash at bank, securities brokers and on hand | <u><u>8,197</u></u> | <u><u>17,156</u></u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

| | |
|--|--|
| HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17) | Insurance Contracts |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform – Pillar Two Model Rules |

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

The interim results are unaudited but have been reviewed by the Company’s audit committee.

2. Revenue, investment and other income and other gains and losses, net

Revenue represents the aggregate of the net amounts received and receivable from third parties for the six months ended 30 September 2023. There is no seasonality and cyclicality of the operations of the Group. The performance obligation is part of a contract that has an original expected duration of one year or less. Disaggregation revenue from contracts with the customers are as follow:

| | For the three months ended 30 September | | For the six months ended 30 September | |
|--|--|---------------------------------|--|---------------------------------|
| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
| Revenue from contracts with customers not within the scope of HKFRS 15 | | | | |
| Revenue from money lending | 4,118 | 6,632 | 8,133 | 16,252 |
| Revenue from contracts with customers within the scope of HKFRS 15 | | | | |
| Sales of grocery products, coupons, operating a restaurant and frozen food | | | | |
| – retail and wholesale | <u>9,332</u> | <u>13,393</u> | <u>16,804</u> | <u>25,761</u> |
| | <u>13,450</u> | <u>20,025</u> | <u>24,937</u> | <u>42,013</u> |
| Investment and other income | | | | |
| Bank interest income | 74 | – | 156 | – |
| Government grants | – | 940 | – | 1,748 |
| Management fee income | – | 854 | – | 992 |
| Others | <u>314</u> | <u>438</u> | <u>582</u> | <u>456</u> |
| | <u>388</u> | <u>2,232</u> | <u>738</u> | <u>3,196</u> |
| Other gains and losses, net | | | | |
| Loss on disposal of property, plant and equipment, net | (381) | (428) | (381) | (428) |
| Exchange (losses)/gains, net | (25) | 3 | (66) | 4 |
| Gains/(losses) on disposal of financial assets at FVTPL | 1 | (56) | 1 | (83) |
| Fair value gains/(losses) of financial assets at FVTPL | 1,578 | 126 | 1,383 | (972) |
| Gain on disposal of subsidiary | – | – | 328 | – |
| Impairment loss of interests in associates | (1,662) | – | (1,662) | – |
| Others | <u>30</u> | <u>(363)</u> | <u>30</u> | <u>139</u> |
| | <u>(459)</u> | <u>(718)</u> | <u>(367)</u> | <u>(1,340)</u> |

3. Segment information

The Group determines its operating segments based on the reports reviewed by the chief executive directors and the management staff that are used to make strategic decisions.

An analysis of the Group's reportable operating segments results before income tax for the period is as follows:

For the six months ended 30 September 2023

(Unaudited)

| | Money lending <i>HK\$'000</i> | Retail and wholesale business <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|-------------------------------------|--|--------------------------|
| Segment revenue: | | | |
| Revenue from external customers | <u>8,133</u> | <u>16,804</u> | <u>24,937</u> |
| Segment results | <u>2,286</u> | <u>(7,202)</u> | <u>(4,916)</u> |
| Unallocated head office corporate expenses | | | (13,075) |
| Investment and other income | | | 738 |
| Other gains and losses, net | | | (367) |
| Finance costs | | | (253) |
| Share of results of associates | | | <u>(265)</u> |
| Consolidated loss before tax | | | (18,138) |
| Income tax | | | <u>-</u> |
| Consolidated loss for the period | | | <u>(18,138)</u> |

3. Segment information (Continued)

For the six months ended 30 September 2022
(Unaudited)

| | Money lending <i>HK\$'000</i> | Retail and wholesale business <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|-------------------------------------|--|--------------------------|
| Segment revenue: | | | |
| Revenue from external customers | <u>16,252</u> | <u>25,761</u> | <u>42,013</u> |
| Segment results | <u>4,961</u> | <u>(9,611)</u> | <u>(4,650)</u> |
| Unallocated head office corporate expenses | | | (2,888) |
| Investment and other income | | | 1,175 |
| Other gains and losses, net | | | (1,633) |
| Finance costs | | | (385) |
| Share of results of associates | | | <u>13</u> |
| Consolidated loss before tax | | | (8,368) |
| Income tax | | | <u>-</u> |
| Consolidated loss for the period | | | <u>(8,368)</u> |

Geographical information

Revenue from external customers by geographical markets:

| | For the six months ended 30 September | |
|-----------|--|--|
| | 2023 (Unaudited) <i>HK\$'000</i> | 2022 (Unaudited) <i>HK\$'000</i> |
| Hong Kong | <u>24,937</u> | <u>42,013</u> |

4. Loss before tax

Loss before tax is arrived at after charging/(crediting):

| | For the three months ended 30 September | | For the six months ended 30 September | |
|--|--|---------------------------------|--|---------------------------------|
| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
| Auditors' remuneration | 217 | 195 | 433 | 390 |
| Commission expenses | 230 | 523 | 365 | 1,328 |
| Operating leases payments in respect of land and buildings | 221 | 183 | 605 | 404 |
| Employee benefit expenses | 4,905 | 6,664 | 9,897 | 12,148 |
| Depreciation of property, plant and equipment | 1,375 | 1,625 | 2,510 | 3,213 |
| Depreciation of right-of-use assets | 1,119 | 1,552 | 2,328 | 3,077 |
| Carrying amount of inventories sold | 7,111 | 9,725 | 13,219 | 18,139 |
| Write-down of inventories (Reversal of)/allowance for expected credit losses on trade receivable, net | (91) | (281) | 11 | (203) |
| Allowance for expected credit losses on loan & advance to customers, net | 1,277 | 977 | 1,287 | 1,377 |
| | <u>1,277</u> | <u>977</u> | <u>1,287</u> | <u>1,377</u> |

5. Income tax

| | For the six months ended 30 September | |
|--|--|---------------------------------|
| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
| Current tax: Hong Kong – Charge for the period | – | – |
| | <u>–</u> | <u>–</u> |

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2023 as the Group have no assessable profits for Hong Kong Profits tax purpose (six months ended 30 September 2022: Nil).

6. Interim dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

7. Loss per share

The calculation of basic and diluted loss per share for the three months ended 30 September 2023 is based on the loss attributable to shareholders of approximately HK\$8,471,000 (three months ended 30 September 2022: HK\$4,392,000) and the weighted average number of 494,206,873 ordinary shares in issue during the period (three months ended 30 September 2022: 282,160,981 shares).

The calculation of basic and diluted loss per share for the six months ended 30 September 2023 is based on the loss attributable to shareholders of approximately HK\$18,092,000 (six months ended 30 September 2022: HK\$8,368,000) and the weighted average number of 494,206,873 ordinary shares in issue during the period (six months ended 30 September 2022: 277,934,789 shares).

8. Property, plant and equipment

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|---------------------------------|---|---|
| At beginning of the period/year | 10,930 | 12,248 |
| Additions | 1,643 | 6,684 |
| Disposal | (1,006) | (7,559) |
| Depreciation | (2,510) | (6,068) |
| Written back on disposals | 225 | 3,797 |
| Acquisition of a subsidiary | – | 1,860 |
| Disposal of a subsidiary | (78) | (32) |
| | <u>9,204</u> | <u>10,930</u> |

9. Interests in associates

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|-----------------------------------|---|---|
| Unlisted shares, at cost | 18,270 | 15,150 |
| Share of post-acquisition profits | 743 | 1,008 |
| Less: impairment loss | (16,132) | (14,470) |
| | <u>2,881</u> | <u>1,688</u> |

9. Interests in associates (Continued)

Particulars of the material associates as at 30 September 2023 and 31 March 2023 are as follows:

| Name of associates | Class of shares held | Particulars of paid up capital | Proportion of ownership interest held by the Group | | | | Principal activities | Place of incorporation and operations |
|------------------------------|----------------------|--|--|-------------------|---------------|---------------|-------------------------------|---------------------------------------|
| | | | Directly | Indirectly | Directly | Indirectly | | |
| | | | 30 September 2023 | 30 September 2023 | 31 March 2023 | 31 March 2023 | | |
| | | | % | % | % | % | | |
| Big Max Limited | Ordinary | HK\$100 (31 March 2023: HK\$100) | 20 | - | 20 | - | Operation of a restaurant | Hong Kong |
| Diamond Brave Limited | Ordinary | HK\$100 (31 March 2023: HK\$100) | 20 | - | 20 | - | Operation of a restaurant | Hong Kong |
| Sunshine Team Limited | Ordinary | HK\$100 (31 March 2023: HK\$100) | 20 | - | 20 | - | Operation of a restaurant | Hong Kong |
| Just Production (HK) Limited | Ordinary | HK\$10 (31 March 2023: HK\$10) | 20 | - | - | - | Operation of production house | Hong Kong |

The summarised financial information of the Group's associates extracted from their management accounts is as follows:

| | For the six months ended 30 September | |
|--|--|----------------------|
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Total revenue | <u><u>14,978</u></u> | <u><u>23,251</u></u> |
| Total (loss)/profit for the period | <u><u>(1,337)</u></u> | <u><u>64</u></u> |
| The Group's share of results of associates | <u><u>(265)</u></u> | <u><u>13</u></u> |

10. Financial assets at fair value through profit or loss

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|--|--|--|
| Listed equity securities (<i>Note a</i>) | 4,222 | 954 |
| Unlisted fund (<i>Note b</i>) | 27,941 | 28,017 |
| Film rights investments (<i>Note c</i>) | 3,600 | 3,600 |
| | <u>35,763</u> | <u>32,571</u> |

Note a: The fair values of listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges.

Note b: The fair value of the Group's interests in the fund is determined by reference to its net asset value per share, since the Group has the right to request for redemption of some or all of its interests in the fund at a redemption price, which equals to the net asset value, according to the private placing memorandum of the fund.

Note c: The balance represents the Group's investments in film productions which entitled the Group to predetermined percentage of income to be generated from the films based on the Group's investment portion as specified in respective film rights investments agreements.

11. Loans and advances to customers

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|---------------------------------------|--|--|
| Loans and advances to customers | 170,247 | 164,640 |
| Less: impairment allowances | <u>(102,912)</u> | <u>(101,689)</u> |
| Loans and advances to customers – net | <u>67,335</u> | <u>62,951</u> |

Ageing analysis of loans and advances to customers:

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|------------------------------------|--|--|
| Analysed for reporting purpose as: | | |
| Current portion | 19,883 | 32,213 |
| Non-current portion | <u>47,452</u> | <u>30,738</u> |
| | <u>67,335</u> | <u>62,951</u> |

12. Trade receivables

The aging analysis of trade receivables, net of impairment, is as follows:

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|---------------------|--|--|
| Within three months | 4,226 | 935 |
| Over three months | <u>10,538</u> | <u>11,888</u> |
| | <u><u>14,764</u></u> | <u><u>12,823</u></u> |

13. Cash and cash equivalents

| | As at 30 September 2023 (Unaudited) HK\$'000 | As at 31 March 2023 (Audited) HK\$'000 |
|---|--|--|
| Short-term bank deposits | 1,500 | – |
| Cash at banks, securities brokers and on hand | <u>6,697</u> | <u>25,820</u> |
| | <u><u>8,197</u></u> | <u><u>25,820</u></u> |

14. Share capital

| | As at 30 September 2023 (Unaudited) | | As at 31 March 2023 (Audited) | |
|--|--|-----------------------|----------------------------------|---------------------|
| | No. of shares | HK\$'000 | No. of shares | HK\$'000 |
| Authorized: | | | | |
| Ordinary shares of HK\$0.01 each | <u>30,000,000,000</u> | <u>300,000</u> | <u>30,000,000,000</u> | <u>300,000</u> |
| | | Par value of share | | |
| | | HK\$ | No. of shares | HK\$'000 |
| Issued and fully paid ordinary shares: | | | | |
| As at 1 April 2022 | | 0.01 | 240,359,354 | 2,404 |
| Issued of shares upon right issues | | 0.01 | 120,179,677 | 1,201 |
| Issued of shares | | <u>0.01</u> | <u>72,105,000</u> | <u>721</u> |
| As at 31 March 2023 and 1 April 2023 | | 0.01 | 432,644,031 | 4,326 |
| Subscription of shares | | <u>0.01</u> | <u>86,000,000</u> | <u>860</u> |
| As at 30 September 2023 | | <u><u>0.01</u></u> | <u><u>518,644,031</u></u> | <u><u>5,186</u></u> |

All new shares rank pari passu with other shares in issue in all respects.

15. Share option schemes

The Company adopted a share option scheme on 29 May 2023 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to our Group and/or to enable our Group to recruit and retain high-caliber employees and attract human resources that are valuable to our Group. The terms of the Share Option Scheme are in accordance with the provision of chapter 23 of the GEM Listing Rules.

During the six months ended 30 September 2023, no share options were granted by the Company under the Share Option Scheme.

16. Contingent liabilities

As at 30 September 2023, the Company did not provide any corporate guarantee to third parties.

17. Transaction and balances with related parties

Key management compensation

The remuneration of directors and other key management during the period was as follow:

| | For the six months ended 30 September | |
|---|--|---------------------------------|
| | 2023 (Unaudited) HK\$'000 | 2022 (Unaudited) HK\$'000 |
| Salaries, allowances and benefits in kind | 2,217 | 1,589 |
| Retirement benefit scheme contribution | 51 | 36 |
| | <u>2,268</u> | <u>1,625</u> |

18. Fair value measurements of financial instruments

(i) Financial assets and liabilities measured at fair value

For assets and liabilities that are recognised in the condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis.

| | Fair value HK\$'000 | Level 1 HK\$'000 | Level 3 HK\$'000 |
|--|------------------------|---------------------|---------------------|
| As at 30 September 2023 (unaudited) | | | |
| Financial assets at FVTPL | | | |
| - Listed equity securities | 4,222 | 4,222 | - |
| - Unlisted fund | 27,941 | - | 27,941 |
| - Film rights investment | 3,600 | - | 3,600 |
| | <u>35,763</u> | <u>4,222</u> | <u>31,541</u> |
| As at 31 March 2023 (audited) | | | |
| Financial assets at FVTPL | | | |
| - Listed equity securities | 954 | 954 | - |
| - Unlisted fund | 28,017 | - | 28,017 |
| - Film rights investment | 3,600 | - | 3,600 |
| | <u>32,571</u> | <u>954</u> | <u>31,617</u> |

18. Fair value measurements of financial instruments (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

During the six months ended 30 September 2023 and year ended 31 March 2023, there were no transfers between Level 1, Level 2 and Level 3. The Group's policy is to recognise transfers into and transfer out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

| | Fair value | | Valuation technique and key input | Significant unobservable input |
|--|--|----------------------------------|---|--------------------------------|
| | 30 September 2023 (Unaudited) HK\$'000 | 31 March 2023 (Audited) HK\$'000 | | |
| Financial assets at FVTPL (listed equity securities) | 4,222 | 954 | Quoted bid prices in an active market | N/A |
| Financial assets at FVTPL (unlisted fund) | 27,941 | 28,017 | Net asset value (note) | N/A |
| Financial assets at FVTPL (film rights investment) | 3,600 | 3,600 | Expected future cash flows are discounted at rates that reflect the weighted average cost of capital and addition intangible asset premium of the underlying investments. | N/A |

Note: The unlisted fund is redeemable at a redemption price equals to the net asset value as stated in the monthly shareholder's statement issued by the fund administrator.

Reconciliation of Level 3 fair value measurement of financial assets

| | Financial assets at FVTPL HK\$'000 |
|----------------------------------|---|
| At 1 April 2022 (audited) | 27,166 |
| Fair value change | <u>578</u> |
| At 30 September 2022 (unaudited) | <u><u>27,744</u></u> |
| At 1 April 2023 (audited) | 31,617 |
| Fair value change | <u>(76)</u> |
| At 30 September 2023 (unaudited) | <u><u>31,541</u></u> |

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2023 and 31 March 2023.

19. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation to align with the financial statements presentation of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The money lending business continues to be the core business of the Group and to generate stable income to the Group.

The Company reviewed that the E-commerce is a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since 2015. The Group will continue to develop self-own brand products, namely Master Chef Series and FRESHNESSMART, Dawooyeon Hanwoo, Buon Cibo, Ganges Curry, 李朝, 月姐滋養湯, 貞下起元 and 老蕭燉湯 and source different types of products from local or overseas suppliers to satisfy the ever-changing demand of our customers.

During the period, the Group sourced and launched the product line for pets products including pets supplement and pets food. The brand name for these new products include King of Chicken Essence, PAg+, Natural Pro, Petsmore, Petural and Cat Daily.

In addition, the Group also sourced and launched new product line for human supplement under different brands.

Operation Review

Revenue of the Group for the six months ended 30 September 2023 (the “Six-months Period”) was approximately HK\$24.9 million, and the corresponding period of last year was approximately HK\$42.0 million. Loss attributable to owners of the Company for the Six-months Period was approximately HK\$18.1 million and the loss of corresponding period in 2022 was HK\$8.4 million.

Money Lending Business

The Group has actively participating in money lending business for more than ten years. A solid client base was built. For the Six-months Period, revenue for this segment under review was approximately HK\$8.1 million. It is expected to generate sustainable income in the coming future.

The economic activities and business sentiment have been affected by the novel coronavirus infection. Many enterprises suffer from a plunge in business turnover, resulting in a liquidity problem, in particular those small and medium enterprises which have difficulty in obtaining commercial bank loans due to their scale of operation. This may provide potential opportunities for licensed money lenders, particularly when banks’ attitudes have become more conservative under the worsened economic environment, notwithstanding that the Group has become more cautious in its lending given the weakening economy in Hong Kong which may give rise to more bad debts in the industry.

Retail and Wholesale Business

The Group is operating 4 retail shops which located in Wanchai, Lai Chi Kok, Kowloon Bay and Tai Po and online business for the sales of grocery products. Beyond the general products like frozen food, the Group will focus more the in-house ready-to-eat products for the public.

During the severe epidemic period, peoples reduced their social life and went out to eat, and tried to stay at home to cook. Therefore, peoples began to suffer from anti-epidemic fatigue for a long time. After the fifth wave of the covid-19 epidemic has subsided, the Government has begun to loosen social distancing, and peoples have begun to resume social life and dining out more. However, the reduction of cooking at home has directly affected the revenue of the retail and wholesale business of the Group. The revenue from sale of goods decrease of approximately 34.7% as compared to the corresponding period in 2022. Furthermore, there are many new competitors with similar business model in the market, resulting in severe competitions.

Revenue for this segment for the six months ended 30 September 2023 was approximately HK\$16.8 million and the corresponding period in 2022 was of HK\$25.8 million.

Inventories, deposits, prepayments, other receivables and other assets

During the period, the Group launched new product line for pets products and human supplement products. Therefore the Group purchased substantial stocks of pets and supplement products from suppliers resulting in significant increase in inventories and deposit for inventories purchase as at 30 September 2023.

Outlook

The Group will continue to look for opportunities to further improve its existing business and explore new investments to broaden the business scope of the Group with the ultimate goal to maximize the return to our shareholders.

CAPITAL STRUCTURE

During the period from 1 July 2023 to 30 September 2023, there is no change of the capital structure of the Company. The issued share capital of the Company is 518,644,031 shares.

Proposed Rights Issue

On 15 August 2023, the Company proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.045 per Rights Share to raise approximately HK\$70.0 million before expenses by issuing 1,555,932,093 Rights Shares to the Qualifying Shareholders. The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$64.5 million, representing a net subscription price of approximately HK\$0.041 per Rights Share.

Details of the proposed Rights Issue were disclosed in the announcements of the Company dated 15 August 2023, 5 September 2023, 19 September 2023, 17 October 2023 and 6 November 2023 and the circular dated 9 November 2023 respectively.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 30 September 2023, the Group had cash and cash equivalents of approximately HK\$8.2 million (31 March 2023: HK\$25.8 million).

As at 30 September 2023, the Group had borrowings of HK\$1.2 million (31 March 2023: HK\$1.2 million) which were used to finance the operation of the Group.

As at 30 September 2023, the Group's gearing ratio, expressed as a percentage of total borrowings, less cash and cash equivalents then divided by total equity, was nil (31 March 2023: Nil).

CHARGES ON GROUP'S ASSET

As at 30 September 2023 and 31 March 2023, no financial instruments was pledged as collateral to securities brokers for margin financing granted to the Group and no margin financing was utilised by the Group except for a loan of HK\$1.2 million are secured by a property.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly in Hong Kong dollars, Renminbi and US dollar.

For most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 30 September 2023, the Group had around 57 (30 September 2022: 89) full-time and part-time employees. The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

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

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and 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 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

| Name | Capacity | Personal Interests | Approximate percentage to the issued share capital of the Company as at 30 September 2023 |
|----------------------------------|--------------------------------------|--------------------|---|
| Mr. Chan Yan Tak (<i>note</i>) | Interest of a controlled corporation | 181,196,866 | 34.94% |

Note:

1. Best Richest Management Company Limited is wholly and beneficiary owned by Mr. Chan Yan Tak, being the chairman of the Board, an executive Director and a controlling shareholder.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 30 September 2023, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

| Name | No. of Shares | Approximate percentage to the issued share capital of the Company as at 30 September 2023 |
|---|---------------|---|
| Best Richest Management Company Limited <i>(note)</i> | 181,196,866 | 34.94% |

Note:

Best Richest Management Company Limited is wholly and beneficiary owned by Mr. Chan Yan Tak, being the chairman of the Board, an executive Director and a controlling shareholder. Best Richest entered into a share charge over the shares and holds the shares as chargor.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Six-months Period, None of the members of the Group purchased, sold or redeemed any of the Group's listed securities.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Six-months Period, the Company has complied with the code provisions ("Code") set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, interim reports and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

REVIEW OF INTERIM RESULTS

The unaudited consolidated results of the Group for the Six-months Period have been reviewed by the Audit Committee of the Company, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made. As at the date hereof, the Audit Committee comprises the four Independent Non-executive Directors of the Company, namely Mr. Lee King Fui, chairman of the Audit Committee, Mr. Joseph Rodrick Law, Mr. To Kwan and Ms. Ho Sau Ping, Pia.

REMUNERATION COMMITTEE

A remuneration committee (the “Remuneration Committee”), consisting of four Independent Non-executive Directors and three Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management, having regard to the Group’s operating results, individual performance and comparable market practices.

NOMINATION COMMITTEE

A nomination committee (the “Nomination Committee”) consisting of four Independent Non-executive Directors and three Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee is responsible for reviewing and making recommendations to the Board regarding any proposed changes, selection of directorships.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Six-months Period.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the “Employees Written Guidelines”) for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

LIST OF DIRECTORS

| | | |
|--------------------------|---|------------------------------------|
| Mr. Chan Yan Tak | – | Chairman and Executive Director |
| Mr. Lim Ming Shing, Tony | – | Executive Director |
| Ms. Siu Yeuk Hung, Clara | – | Executive Director |
| Mr. Law Ka Kei | – | Executive Director |
| Mr. Lee King Fui | – | Independent Non-executive Director |
| Mr. Joseph Rodrick Law | – | Independent Non-executive Director |
| Mr. To Kwan | – | Independent Non-executive Director |
| Ms. Ho Sau Ping, Pia | – | Independent Non-executive Director |

On behalf of the Board
Wisdomcome Group Holdings Limited
Chan Yan Tak
Chairman

Hong Kong, 13 November 2023