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中國信息科技發展有限公司

CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

2024 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the “**Board**”) of China Information Technology Development Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results. Printed version of the Company’s 2024 interim report will be delivered to the shareholders of the Company in due course.

By order of the Board

China Information Technology Development Limited

Wong King Shiu, Daniel

Chairman and Chief Executive Officer

Hong Kong, 22 August 2024

As at the date of this announcement, the Board comprises Mr. Wong King Shiu, Daniel (Chairman and Chief Executive Officer) and Mr. Chu Joshua Allen Kiu Wah as executive Directors; Hon. Li Sai Wing, JP, MH and Ms. Leung Kar Ming, MH as non-executive Directors; Mr. Wong Hoi Kuen, Dr. Chen Shengrong and Mr. Chu Wun Chiu as independent non-executive Directors.

This announcement, for which the Directors 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 of Hong Kong Limited 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 be available on the Company’s website <http://www.citd.com.hk> and will remain on the “Latest Listed Company Information” page on the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 of Hong Kong Limited 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” and each a “Director”) of the China Information Technology Development 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 this report misleading.

This report will be available on the Company’s website <http://www.citd.com.hk> and will remain on the “Latest Listed Company Information” page on the Stock Exchange website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Wong King Shiu, Daniel
(Chairman and Chief Executive Officer)

Mr. Chu Joshua Allen Kiu Wah
(Appointed on 28 June 2024)

Mr. Chang Ki Sum Clark
(Retired on 28 June 2024)

NON-EXECUTIVE DIRECTOR

Hon. Li Sai Wing, JP, MH

Ms. Leung Kar Ming, MH
(Appointed on 1 August 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Hoi Kuen

Dr. Chen Shengrong

Mr. Chu Wun Chiu
(Appointed on 1 August 2024)

Mr. Hung Hing Man
(Resigned on 1 August 2024)

COMPANY SECRETARY

Ms. Lam Mei Wai Michelle

AUTHORISED REPRESENTATIVES

Mr. Wong King Shiu Daniel
(Appointed on 28 June 2024)

Mr. Chang Ki Sum Clark
(Retired on 28 June 2024)

Ms. Lam Mei Wai Michelle

NOMINATION COMMITTEE

Mr. Wong Hoi Kuen
(Committee Chairman)

Dr. Chen Shengrong

Mr. Chu Wun Chiu
(Appointed on 1 August 2024)

Mr. Hung Hing Man
(Resigned on 1 August 2024)

REMUNERATION COMMITTEE

Mr. Wong Hoi Kuen
(Committee Chairman)

Dr. Chen Shengrong

Mr. Chu Wun Chiu
(Appointed on 1 August 2024)

Mr. Hung Hing Man
(Resigned on 1 August 2024)

AUDIT COMMITTEE

Mr. Wong Hoi Kuen
(Committee Chairman)

Dr. Chen Shengrong

Mr. Chu Wun Chiu
(Appointed on 1 August 2024)

Mr. Hung Hing Man
(Resigned on 1 August 2024)

AUDITOR

Prism Hong Kong and Shanghai Limited
(Appointed on 28 June 2024)

ZHONGHUI ANDA CPA Limited
(Retired on 28 June 2024)

LEGAL ADVISOR

Conyers Dill & Pearman

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Public Bank (Hong Kong) Limited

DBS Bank (Hong Kong) Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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GEM STOCK CODE

8178

WEBSITE ADDRESS

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SUMMARY

- Revenue for the six months ended 30 June 2024 (the “Period”) was approximately HK\$20,068,000, representing a decrease of 50.3% from the corresponding period in last year (2023: approximately HK\$40,365,000).
- Loss attributable to owners of the Company for the six months ended 30 June 2024 amounted to approximately HK\$7,686,000 (2023: approximately HK\$3,785,000). The increase in loss was mainly attributed to the gain on disposal of a subsidiary of approximately HK\$8,756,000 during 2023.
- Loss per share attributable to owners of the Company from continuing operations for the six months ended 30 June 2024 was approximately HK12.44 cents (2023: approximately HK6.72 cents).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2023 (“Year 2023”), the auditor expressed a qualified opinion in the independent auditors’ report on the Group’s financial statements for Year 2023 (the “Independent Auditors’ Report”). As stated in the “Basis for Qualified Opinion” section in the Independent Auditors’ Report, the basis for the auditor to express a qualified opinion arose from the auditor not being able to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the technical knowhow license and servicing agreement (the “Subcontract Agreement”) the Group entered into with a service provider for the development of technical knowhow upon which the Group would provide the relevant technical knowhow services to two customers pursuant to the technical knowhow license and servicing agreements (the “Servicing Agreements”) the Group entered into with them (“Audit Qualification”). Details of the Audit Qualification are set out in the 2023 Annual Report of the Company.

Subsequently, during the period ended 30 June 2024, taking into consideration the reasons for the Audit Qualification of the Company for the Year 2023, the audit committee of the Company (the “Audit Committee”) and the Board have reviewed its internal control and implemented certain remedial measures to address the deficiencies.

Business Review

During the six months ended 30 June 2024, facing the volatility brought by the geo-political instability and macro economy, the Group has been vigilant of the uncertainties and challenges ahead and taking opportunities to cement and expand its AI and other IT businesses with prudent risk management in 2024. The Group has allied and collaborated with various experts in IT and other industries and looked for potential acquisitions for synergies without affecting too much of the Group's cashflow and resources.

Establishment of a Joint Venture Company

In January 2024, the Group has entered into an agreement ("JV Agreement") with Kilimanjaro Energy Group, Marvion Inc., and two individuals whereby the parties agreed to establish a joint venture company ("JV Company") to drive sustainable positive change in the environmental, social, and governance (ESG) sector. It is intended that the JV Company will engage in tokenization on the blockchain natively and at source carbon credits issued in the UAE and to build, manage and operate a decentralized carbon credit exchange licensed in Abu Dhabi (the "JV Business"). Details of the JV Agreement and the JV Company are set in the announcement dated 30 January 2024.

As at the date of this report, the JV Company has not yet commenced business.

Acquisition of 100% Equity Interest in Popsible Limited Involving the Issue of Consideration Shares under General Mandate

On 6 June 2024, Gold Unity Limited ("Gold Unity"), a wholly-owned subsidiary of the Company, had entered into an agreement (the "Agreement") with JStage Technology Limited ("JStage"), pursuant to which Gold Unity, as the purchaser (the "Purchaser") intended to acquire and JStage as the vendor (the "Vendor"), intended to sell 100% equity interest in Popsible Limited at the consideration of HK\$11,500,000, settled by way of allotment and issue of 11,500,000 consideration shares by the Company at HK\$1.00 per share (the "Acquisition").

The Acquisition was completed and 11,500,000 consideration shares had been allotted and issued on 12 July 2024. Details of the above Acquisition are set out in the announcements dated 6 June 2024 and 12 July 2024.

Macro Systems

During the Period, Macro Systems Limited (“Macro Systems”) allied with various top-class industry elites to continuously promote enterprise market’s digital transformation in Hong Kong. Macro Systems has continued to be the “Nutanix Certified Sales Expert” and gained “Master Partner”, the highest tier of partnership in the Nutanix Partner Program. Besides, Macro Systems has been the “Gold Partner” in Sangfor Technology Channel Partner, IBM PartnerWorld Program “Silver Partner” as well as “VMware Partner Connect Program – Advanced Partner”. These awards and partnerships issued by various world-class partners are solid affirmation of our high quality services.

Various industries are facing difficulties in the IT market in Hong Kong, such as the lack of professional talents and resources, while most enterprises have high requirements for IT efficiency and performance. Demand for professional IT talents grew. Enterprises are eager to adopt advanced technology, yet there is lack of talents with relevant skills and knowledge in the market.

Meanwhile, we continued to utilise our scenario driven business agility zone at our experience centre in Tsimshatsui to allow our customers to experience the business transformation we bring with secured intelligence and technology. It allows clients to have a first-hand experience of smart office with high speed connection at any location. Not only does it help business to be performed in a seamless and agile way from office to anywhere by virtual workspace, it helps business to save energy and improve environment. We believe the experience zone can successfully strengthen our clients’ confidence in deploying virtual workspace solution and facilitate the related business project progress.

DataCube

During the Period, DataCube Research Centre Limited (“DataCube”) has been persistently cooperating with a public transportation company. It has also continued to promote data modelling and big data analysis, as well as developing related technologies to expedite the adoption and drive the evolution of AI and business intelligence across different industries and regions with its unique advanced core technologies of the AI Book, AI Manager and BI Canvas. As such, DataCube provides the technological platforms and all related resources to drive the development of smart cities in Asia. Currently, the AI Book and BI Canvas developed by DataCube serve clients in the PRC.

The smart logistics and customer relationships management system (the “CRM system”), one of the branches of the AI Booster solution services, is a simplified AI solution targeting small to medium-sized enterprises without AI specialists. It is an end-to-end ecosystem that provides leading-edge solutions for model development, deployment, monitoring and evolution.

According to the data collected by DataCube, the smart logistics and CRM system of the AI Booster solution services help customers of the Group to select the optimal transportation by providing real-time information sharing so that on-time delivery can be achieved. It can also monitor exceptional changes of the business while providing more personalised recommendation to the customers. The algorithms and data management technologies used in the AI Book and BI Canvas can create synergy for the development of AI Booster and the smart logistics and CRM system, allowing the Group to seamlessly streamline its entire data process and leverage cutting-edge AI technologies. Therefore, the Company has been injecting resources in research and development on its AI technology in the smart logistics and CRM system to transform enormously complex data with automated machine learning platforms and augmented analytics into useful insights which enables the Group to provide timely services to its customers. The system shall also provide automated sales and customer service interactions and other logistics management services.

The Group has been collaborating with various interested parties and it is on the shelf of Alibaba Cloud and AIBooster has participated in the Smart Government Innovation Lab of HKSAR to help government departments and industry to provide effective predictive analytics solutions, from data management to data analytics, and progressively use data to solve business problems. It is anticipated that our AI products will contribute to the Group's revenue in due course. Meanwhile, the Group was delighted that it has started to receive purchase order from client for our AI Smart Logistics system during the Period.

During the Period, Macro Systems recorded a revenue of approximately HK\$11,471,000, representing a decrease of 30.4% as compared to the revenue of approximately HK\$16,477,000 in 2023. The decrease in revenue of Macro Systems was mainly attributable to decrease in number of projects on trading of hardware and software during the Period.

DataCube contributed a revenue of approximately HK\$2,477,000 representing a decrease of 85.7% as compared to the revenue of approximately HK\$17,278,000 in 2023. During the Period, DataCube focused on the cooperation with the mass rapid transit company. The Group shall continue to allocate resources in developing the technologies and services provided by Macro Systems and DataCube as our core business of the Group.

FUTURE PROSPECT

Digital transformation is pursued in almost every sector, AI involvement is becoming inevitable in our lives. Ranking as one of the largest industries in the world, the information and communication technology (“ICT”) market has been forecasted to reach a size of almost US\$6 trillion by 2023. The AI market will grow to a US\$190 billion industry by 2025 with global spending on cognitive and AI systems reaching over US\$57 billion in 2022. Among the various global economies, the UAE has stolen the spot light in the industry. In a bid to reduce dependence on oil revenue and grow the private sector, UAE government initiatives set out to build a competitive knowledge economy and establish an open, efficient, effective, and globally integrated business environment. The UAE government is taking several steps to prompt the development of the knowledge-based economy. The UAE government has established a number of free trade zones such as Dubai Internet City and Dubai Silicon Oasis that specialize in the ICT industry and act as industry clusters for high technology and innovation. These free zones are areas within the UAE that permit foreign ownership and are dedicated to a specific industry, making them business hubs. In view of this huge potential market, the Group has started to cooperate with business partner in Dubai. The Group shall continue to explore different potential markets to broaden our business footprints.

During the Period, the Group has taken a prudent approach while broadening the Company’s income stream. The Group has demonstrated our determination to focus on strengthening our existing AI businesses. The Company has been looking with various business opportunities and collaborations with other IT experts with the objective of enhancing the existing businesses of the Company and extending our business footprints in Hong Kong and other potential markets. Looking forward, the Group shall continue with the approach and is committed to making appropriate business and investment decisions as and when appropriate in light of the Company’s business plan and the market conditions to create greater value to the Company and its Shareholders.

EVENTS AFTER REPORTING PERIOD

Termination of Proposed Acquisition of the Entire Issued Share Capital of Autostereoscopic 3D Limited (the “Target Company”) Involving Issue of Consideration Shares Under Specific Mandate; and Major Disposal: Charge Over the Entire Issued Share Capital of a Subsidiary

On 19 September 2023, Beauty Intentions Limited, a wholly-owned subsidiary of the Company as the purchaser (“Beauty Intentions”), the Company and Marvel Digital Group Limited, Akara.com Limited, Wealth Axis Limited, Mr. Ho Tak Wing, Mr. Li Yat Ho, Mr. Wong Alvin Chun Ho, Ms. Chan Pui Lei, Ms. Chan Yat Man Ava, Ms. Wong Ka Lai Kirsty as vendors (the “Vendors”) entered into the sale and purchase agreement (the “Sale and Purchase Agreement”) pursuant to which the Vendors have conditionally agreed to sell to Beauty Intentions and the latter has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company (the “Proposed Acquisition”). The consideration for the Proposed Acquisition is HK\$100 million, which shall be settled by (i) the promissory notes in the aggregate principal amount of HK\$75,985,677.28; and (ii) the allotment and issue of a total of 11,117,742 consideration Shares at the issue price of HK\$2.16 per Share by the Company to the Vendors (or their nominee(s)) under Specific Mandate.

Meanwhile, to secure Beauty Intentions’ obligations under the Sale and Purchase Agreement, upon Completion, the Company shall procure Giant Prestige Investment Limited (the “Chargor”), being a direct wholly-owned subsidiary of the Company, to execute the Deed of Share Charge in favour of the Vendors, as chargees. Under the Deed of Share Charge, the Chargor shall, by way of first fixed charge and floating charge, charge to the Vendors of all its right, title and interest in and to the Charged Shares, as continuing security for the payment or discharge of the Secured Obligations.

Pursuant to the Sale and Purchase Agreement, one of the conditions precedent for Completion is that the Purchaser, a direct wholly-owned subsidiary of the Company, has been reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Purchaser may consider necessary) on the Target Company and its assets, liabilities, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think reasonably necessary and appropriate to conduct.

Since the negotiation of the Proposed Transactions and subsequent to the signing of the Sale and Purchase Agreement, the Purchaser has been conducting ongoing due diligence exercise on the Target Group. Despite continuous efforts by the Purchaser, the Vendors remained unable to provide due diligence documents regarding the Target Group, in particular the ownership of intellectual property rights, to the reasonable satisfaction of the Purchaser. As the aforesaid condition precedent has not been fulfilled, the Purchaser decided not to proceed with the Proposed Transactions and hence unilaterally terminated the Sale and Purchase Agreement with effect from 11 July 2024.

Details of the aforementioned proposed transactions and its termination are set out in the announcements dated 19 September 2023 and 12 July 2024 respectively.

Employees

The total number of full-time employees hired by the Group maintained at 58 as of 30 June 2024 (2023: 58 employees). Total expenses on employee benefits amounted to approximately HK\$10,391,000 for the six months ended 30 June 2024, (2023: approximately HK\$8,509,000). The management believes the salaries offered by the Group to its employees are competitive.

Financial review

For the six months ended 30 June 2024, the Group recorded a revenue of approximately HK\$20,068,000, a decrease of 50.3% from approximately HK\$40,365,000 for the corresponding period of last year. The decrease is mainly due to the decrease in number of substantial projects in IT solutions and maintenance business for the Period.

The Group had a total cost of sales and services of approximately HK\$9,426,000 for the first half of year 2024, a decrease of 66.0% compared with approximately HK\$27,725,000 for the same period of 2023. The decrease is mainly due to the decrease in number of projects during the Period.

The gross profit of the Group for the first half of year 2024 was approximately HK\$10,642,000, a decrease of 15.8% from approximately HK\$12,640,000 for the corresponding period of last year. The decrease in gross profit is mainly due to the decrease in loan interest income.

Selling and distribution expenses for the reporting period were approximately HK\$360,000, a decrease of 93.6% from approximately HK\$5,627,000 for the corresponding period of last year. The decrease is mainly due to the decrease in research and development expenses for the smart logistics system and smart retail cloud platform for the CRM system and network security of IoT cloud platform.

Administrative expenses for the reporting period were approximately HK\$17,392,000, a decrease of 7.2% as compared to approximately HK\$18,748,000 for the corresponding period of last year. The decrease is mainly due to the decrease in legal and professional fees for publication of the circulars and announcements in relation to the corporate actions of the Company for the corresponding period of last year.

During the first half of 2024, the Group recorded a loss on trading of marketable securities of approximately HK\$189,000 (2023: loss of approximately HK\$357,000).

The Group's loss attributable to owners of the Company was approximately HK\$7,686,000 for the six months ended 30 June 2024 (2023: approximately HK\$3,785,000).

Financial position

As at 30 June 2024, the Group had cash and bank balances of approximately HK\$11,436,000 (31 December 2023: approximately HK\$11,595,000).

As at 30 June 2024, the Group's total borrowings amounted approximately HK\$64,034,000 (31 December 2023: approximately HK\$65,033,000). The gearing ratio (calculated as total borrowings over total equity) of the Group was 0.26 (31 December 2023: 0.25).

As the Group carried out a major portion of its operations in the PRC and Hong Kong and substantially all of its business transactions, assets and liabilities are denominated in either Renminbi or Hong Kong dollars, the foreign exchange risk of the Group was considered minimal thus no hedging activities were conducted.

Capital expenditure

The Group incurred a capital expenditure of HK\$nil (31 December 2023: approximately HK\$638,000) for addition of property, plant and equipment and HK\$nil (31 December 2023: HK\$nil) for addition of investment properties during the six months for 30 June 2024.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2024 and 31 December 2023 respectively.

Capital commitment

The Group did not have any material capital commitments as at 30 June 2024 and 31 December 2023.

The Board announces the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding period of 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest revenue		–	1,631
Other revenue		20,068	38,734
Revenue	4	20,068	40,365
Cost of sales and services		(9,426)	(27,725)
Gross profit		10,642	12,640
Other income and gains	4	793	2,558
Selling and distribution expenses		(360)	(5,627)
Administrative expenses		(17,392)	(18,748)
Gain on disposal of a subsidiary		–	8,756
Fair value loss on investments at fair value through profit or loss		(189)	(357)
Finance costs	5	(1,347)	(3,883)
LOSS BEFORE TAX	6	(7,853)	(4,661)
Income tax credit	7	3	7
LOSS FOR THE PERIOD		(7,850)	(4,654)
Attributable to:			
Owners of the Company		(7,686)	(3,785)
Non-controlling interests		(164)	(869)
		(7,850)	(4,654)
Basic and diluted loss per share	8	HK(12.44) cents	HK(6.72) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Note	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(7,850)	(4,654)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX		
– Exchange differences reclassified to profit or loss on disposal of a subsidiary	–	(1,211)
– Exchange differences on translation of foreign operations	(4,131)	(7,071)
– Change in fair value of equity investments at fair value through other comprehensive income	(997)	(1,875)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(12,978)	(14,811)
Attributable to:		
Owners of the Company	(12,839)	(13,990)
Non-controlling interests	(139)	(821)
	(12,978)	(14,811)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Investment properties	10	238,521	244,259
Property, plant and equipment	11	704	1,052
Goodwill		6,504	6,504
Right-of-use assets		1,767	2,938
Other intangible assets		2,123	2,555
Equity investments at fair value through other comprehensive income		9,903	10,900
Prepayments, deposits and other receivables	12	–	1,202
Deferred tax assets		5,522	5,522
Total non-current assets		265,044	274,932
CURRENT ASSETS			
Inventories		465	121
Trade receivables	13	15,483	15,584
Prepayments, deposits and other receivables	12	41,723	47,094
Investments at fair value through profit or loss		333	558
Bank and cash balances		11,436	11,595
Total current assets		69,440	74,952
CURRENT LIABILITIES			
Trade payables	14	1,946	3,455
Contract liabilities		2,326	1,566
Other payables and accruals	15	16,335	15,825
Lease liabilities		1,849	2,219
Current tax liabilities		4	–
Bank and other loans	16	39,216	43,498
Total current liabilities		61,676	66,563

	<i>Notes</i>	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
NET CURRENT ASSETS		7,764	8,389
TOTAL ASSETS LESS CURRENT LIABILITIES		272,808	283,321
NON-CURRENT LIABILITIES			
Bonds	17	4,681	4,547
Bank and other loans	16	20,137	16,988
Lease liabilities		–	811
Deferred tax liabilities		28	35
		24,846	22,381
NET ASSETS		247,962	260,940
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	6,177	6,177
Reserves		251,743	264,582
		257,920	270,759
Non-controlling interests		(9,958)	(9,819)
TOTAL EQUITY		247,962	260,940

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium account	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Investment revaluation reserve	Total	Non-controlling interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	5,147	158,186	4,064	(7,607)	106,923	17,308	284,021	(7,830)	276,191
Loss for the period	-	-	-	-	(3,785)	-	(3,785)	(869)	(4,654)
Other comprehensive (loss)/income									
- Exchange differences reclassified to profit or loss on disposal of a subsidiary	-	-	-	(1,211)	-	-	(1,211)	-	(1,211)
- Exchange differences on translation of foreign operations	-	-	-	(7,119)	-	(1,875)	(8,994)	48	(8,946)
Total comprehensive loss for the period	-	-	-	(8,330)	(3,785)	(1,875)	(13,990)	(821)	(14,811)
Disposal of a subsidiary	-	-	-	-	13,457	(13,457)	-	-	-
Lapsed of share options	-	-	(131)	-	131	-	-	-	-
Issue of shares under placing	765	13,690	-	-	-	-	14,455	-	14,455
Issue of shares under share swap	265	3,315	-	-	-	-	3,580	-	3,580
At 30 June 2023	6,177	175,191	3,933	(15,937)	116,726	1,976	288,066	(8,651)	279,415
At 1 January 2024	6,177	178,462	4,814	(13,398)	97,806	(3,102)	270,759	(9,819)	260,940
Loss for the period	-	-	-	-	(7,686)	-	(7,686)	(164)	(7,850)
Other comprehensive (loss)/income									
- Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(997)	(997)	-	(997)
- Exchange differences on translation of foreign operations	-	-	-	(4,156)	-	-	(4,156)	25	(4,131)
Total comprehensive loss for the period	-	-	-	(4,156)	(7,686)	(997)	(12,839)	(139)	(12,978)
Lapsed of share options	-	-	(143)	-	143	-	-	-	-
At 30 June 2024	6,177	178,462	4,671	(17,554)	90,263	(4,099)	257,920	(9,958)	247,962

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Note		
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	553	(5,410)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	–	(25)
Bank interest received	9	11
Proceeds from disposal of a subsidiary	–	3,289
NET CASH GENERATED FROM INVESTING ACTIVITIES	9	3,275
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from an independent third party	3,502	2,095
Repayment of amount due to a director	–	(700)
Repayment of loan from a shareholder	–	(3,323)
Lease interest paid	(67)	(116)
Proceeds from issue of shares	–	14,455
Repayment of lease liabilities	(1,181)	(1,193)
Repayment of bank and other borrowings	(3,293)	(5,950)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(1,039)	5,268
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(477)	3,133
Cash and cash equivalents at beginning of the period	11,595	13,877
Effect of foreign exchange rate changes, net	318	526
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11,436	17,536
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	11,436	17,536

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Accounting policies

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2023.

2. Adoption of new and revised Hong Kong financial reporting standards

In the current 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 year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior period.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. Operating segment information

The Group has four reportable segments as follows:

- provision of IT infrastructure solutions and maintenance services (“IT solutions and maintenance”);
- money lending;
- securities trading (“securities investments”); and
- rental of properties.

Segment assets exclude other unallocated head office and corporate assets.

Segment liabilities exclude other loans, current tax liabilities and other unallocated head office and corporate liabilities.

The following table presents revenue and (loss)/profit for the Group’s operating segments for the six months ended 30 June 2024 and 2023 respectively.

Reporting segment information

	Six months ended 30 June									
	IT solutions and maintenance		Money lending		Securities investments		Rental of properties		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	14,499	35,684	-	1,631	-	-	5,569	3,050	20,068	40,365
Segment (loss)/profit	(3,173)	(6,902)	-	1,538	(222)	(380)	4,593	2,804	1,198	(2,940)
Reconciliation:										
Bank and other interest income									9	2,523
Unallocated gains									8	8,756
Corporate and other unallocated expenses									(7,721)	(9,117)
Finance costs									(1,347)	(3,883)
Loss before tax									(7,853)	(4,661)

	IT solutions and maintenance		Money lending		Securities investments		Rental of properties		Total	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	43,098	44,226	-	-	386	615	252,063	258,152	295,547	302,993
Reconciliation:										
Corporate and other unallocated assets									38,937	46,891
Total assets									334,484	349,884
Segment liabilities	(24,439)	(21,750)	-	-	-	(38)	(47,883)	(52,571)	(72,322)	(74,359)
Reconciliation:										
Corporate and other unallocated liabilities									(14,200)	(14,585)
Total liabilities									(86,522)	(88,944)

Geographical information

	Revenue	
	Six months ended 30 June 2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong	14,202	37,102
PRC except Hong Kong	5,866	3,263
Consolidated total	20,068	40,365

In preparing the geographical information, revenue is based on the locations of the customers.

4. Revenue, other income and gains

An analysis of revenue, other income and gains from operations is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Sale of computer hardware and software	6,835	11,613
Provision of technical support and maintenance services	7,664	24,071
Revenue from contracts with customers	14,499	35,684
Rental income	5,569	3,050
Loans interest income	–	1,631
	20,068	40,365
Disaggregation of revenue from contracts with customers:		
Geographical markets		
Hong Kong	14,202	35,468
PRC except Hong Kong	297	216
	14,499	35,684
Major products/services		
Sale of computer hardware and software	6,835	11,613
Provision of technical support and maintenance services	7,664	24,071
Total	14,499	35,684
Timing of revenue recognition		
At a point in time	6,835	11,613
Over time	7,664	24,071
Total	14,499	35,684
Other income and gains		
Other interest income	9	2,523
Others	784	35
	793	2,558

5. Finance costs

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest on bank loan	774	968
Interest on other loans	372	29
Interest on bonds	134	–
Lease interest	67	116
Imputed interest on promissory notes	–	2,770
	1,347	3,883

6. Loss before tax

Loss before tax was arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Amortisation of other intangible assets	432	433
Depreciation on property, plant and equipment	295	461
Depreciation on right-of-use assets	1,171	1,232
Directors' remuneration	1,224	1,200
Gain on disposal of a subsidiary	–	(8,756)
Research and development expenses	–	5,256

7. Income tax credit

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Deferred tax credit	3	7

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2024 as the Group has accumulated tax losses brought forward from previous year (2023: Nil).

No provision of the PRC corporate income tax has been made for the six months ended 30 June 2024 as the Group did not generate any assessable profits in the PRC during the period (2023: Nil).

8. Loss per share

The calculation of the loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	(7,686)	(3,785)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for basic and diluted loss per share	61,765,237	56,285,557

For the six months ended 30 June 2024 and 2023, diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share during the six months ended 30 June 2024 and 2023.

9. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023: Nil).

10. Investment properties

	(Unaudited) HK\$'000
Valuation	
At 1 January 2024	244,259
Exchange differences	(5,738)
At 30 June 2024	238,521

At 30 June 2024, the carrying amount of investment properties pledged as security for the Group's bank loans amounted to approximately HK\$39,216,000 (31 December 2023: approximately HK\$43,460,000).

11. Additions in property, plant and equipment

During the six months ended 30 June 2024, the Group spent HK\$nil (30 June 2023: approximately HK\$25,000) for additions of property, plant and equipment.

12. Prepayments, deposits and other receivables

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Prepayments	46	844
Deposits and other receivables	41,677	47,452
	41,723	48,296
Non-current portion:		
Prepayments	–	615
Deposits and other receivables	–	587
	–	1,202
Current portion:		
Prepayments	46	229
Deposits and other receivables	1,734	955
Consideration receivables from disposal of subsidiaries	39,943	45,910
	41,723	47,094
	41,723	48,296

13. Trade receivables

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 1 month	15,289	13,326
1 to 2 months	125	587
2 to 3 months	18	187
Over 3 months	51	1,484
	15,483	15,584

The Group has granted credit terms to its customers ranging from 30 to 90 days. In certain cases, the Group would request payment in advance from the customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

14. Trade payables

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 1 month	1,139	881
1 to 2 months	798	644
2 to 3 months	7	492
Over 3 months	2	1,438
	1,946	3,455

15. Other payables and accruals

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Accruals	7,872	6,587
Other payables	8,104	6,831
Deposit received	–	1,839
VAT payables	259	568
	16,335	15,825

16. Bank and other loans

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
	<i>Notes</i>	
Bank loan:		
Mortgage loans	<i>(i)</i> 39,216	43,460
Other loans:		
Margin loan	<i>(ii)</i> –	38
Loans from independent third parties	<i>(iii)</i> 20,137	16,988
	20,137	17,026
	59,353	60,486
Analysed as:		
Non-current liabilities	20,137	16,988
Current liabilities	39,216	43,498
	59,353	60,486

Notes:

- (i) *As at 30 June 2024, mortgage loan of approximately HK\$39,216,000 (31 December 2023: HK\$43,460,000) has a term of 8 years until March 2030 with a repayable on demand clause exercisable by a bank. The average interest rate was 3.75%. The mortgage loan is secured by a charge over the Group's investment properties and corporate guarantee by the Company.*
- (ii) *As at 31 December 2023, the margin loan was secured by the Group's equity securities listed in Hong Kong with fair value of HK\$55,000 and repayable on demand. As at 31 December 2023, the loan was charged at a fixed interest rate of 9.125% per annum.*
- (iii) *As at 30 June 2024, loan from an independent third party amounted to approximately HK\$3,223,000 (31 December 2023: approximately HK\$3,301,000) is interest bearing at 15% per annum, unsecured and repayable on 28 July 2027.*

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$483,000 (31 December 2023: approximately HK\$495,000) is interest bearing at 13.8% per annum, unsecured and repayable on 31 July 2028.

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$269,000 (31 December 2023: approximately HK\$275,000) is interest bearing at 13.8% per annum, unsecured and repayable on 19 September 2028.

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$1,075,000 (31 December 2023: approximately HK\$1,100,000) is interest bearing at 13.8% per annum, unsecured and repayable on 18 December 2028.

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$10,089,000 (31 December 2023: approximately HK\$10,332,000) is interest free, unsecured and repayable on 1 January 2026.

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$1,496,000 (31 December 2023: approximately HK\$1,485,000) is interest free, unsecured and repayable on 1 January 2026.

As at 30 June 2024, loan from an independent third party amounted to approximately HK\$3,502,000 (31 December 2023: nil) is interest free, unsecured and repayable on 1 January 2026.

17. Bonds

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Non-current Bonds	4,681	4,547

The Group announced a completion of the zero coupon bond issuance on 12 July 2023. The total amount of the bonds is HK\$100 million. The bonds will be documented using Distributed Ledger Technology (in place of paper) and will be implemented using Digital Ownership Token standard.

Bonds with HK\$24.75 million has been purchased by a third party, with approximately 66.66% discount on face value. The Group received approximately HK\$8,252,000 from the bond subscription. The bonds are offered at a discount with an effective yield to maturity of 3.73% per annum, and shall mature on 27 June 2053.

The initial fair value of the bonds is approximately HK\$4,426,000.

18. Share capital

	Number of shares	Amount (Unaudited) HK\$'000
<hr/>		
Authorised:		
Ordinary shares of HK\$0.1 each at 31 December 2023 and 30 June 2024	12,000,000,000	1,200,000
<hr/>		
Issued and fully paid:		
Ordinary shares of HK\$0.1 each At 31 December 2023 and 30 June 2024	61,765,237	6,177
<hr/>		

19. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) **Disclosures of level in fair value hierarchy:**

Description	Fair value measurements as at 30 June 2024 using:			Total (Unaudited) HK\$'000
	Level 1	Level 2	Level 3	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	
Recurring fair value measurements:				
Investments at fair value through profit or loss				
Equity securities				
– listed outside Hong Kong	333	–	–	333
Equity investments at fair value through other comprehensive income				
Equity securities				
– listed equity securities outside Hong Kong	26	–	–	26
– private equity	–	–	9,877	9,877
Investment properties				
Commercial – PRC	–	–	238,521	238,521
Total recurring fair value measurement	359	–	248,398	248,757

Description	Fair value measurements as at 31 December 2023 using:			Total (Audited) HK\$'000
	Level 1	Level 2	Level 3	
	(Audited) HK\$'000	(Audited) HK\$'000	(Audited) HK\$'000	
Recurring fair value measurements:				
Investments at fair value through profit or loss				
Equity securities				
– listed in Hong Kong	55	–	–	55
Equity securities				
– listed outside Hong Kong	503	–	–	503
Equity investments at fair value through other comprehensive income				
Equity securities				
– listed equity securities outside Hong Kong	1,023	–	–	1,023
– private equity	–	–	9,877	9,877
Investment properties				
Commercial–PRC	–	–	244,259	244,259
Total recurring fair value measurement	1,581	–	254,136	255,717

(b) Reconciliation of assets measured at fair value based on level 3:

At 30 June 2024

Description	Equity investments at fair value through other comprehensive income (Unaudited) HK\$'000	Investment properties (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 January 2024	9,877	244,259	254,136
Exchange realignment	–	(5,738)	(5,738)
At 30 June 2024	9,877	238,521	248,398

At 31 December 2023

Description	Equity investments at fair value through other comprehensive income (Audited) HK\$'000	Investment properties (Audited) HK\$'000	Total (Audited) HK\$'000
At 1 January 2023	43,025	256,671	299,696
Total losses recognised in			
– consolidated profit or loss	–	(5,536)	(5,536)
– other comprehensive income	(975)	–	(975)
Disposals of subsidiaries	(32,311)	–	(32,311)
Exchange realignment	138	(6,876)	(6,738)
At 31 December 2023	9,877	244,259	254,136

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

As at 30 June 2024

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value (Unaudited) HK\$'000
Investment properties	Direct income approach	Monthly rental income	RMB40-122 per square meter	Increase	238,521
		Monthly market rent	RMB102 per square meter	Increase	
		Term yield rate	3.25%	Decrease	
		Reversionary yield rate	3.50%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	Discounted cash flow	Weighted average cost of capital	13.11%	Decrease	9,877
		Discount for lack of marketability	20.5%	Decrease	

As at 31 December 2023

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value (Audited) HK\$'000
Investment properties	Direct income approach	Monthly rental income	RMB40-122 per square meter	Increase	244,259
		Monthly market rent	RMB102 per square meter	Increase	
		Term yield rate	3.25%	Decrease	
		Reversionary yield rate	3.50%	Decrease	
Private equity investments classified as equity investments at fair value through other comprehensive income	Discounted cash flow	Weighted average cost of capital	13.11%	Decrease	9,877
		Discount for lack of marketability	20.5%	Decrease	

20. Share option scheme

The Company adopted a share option scheme with effect from 2 August 2012 (the “2012 Share Option Scheme”) and a new share option with effect from 15 May 2023 (the “2023 Share Option Scheme”, together with 2012 Share Option Scheme, the “Schemes”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Schemes include the Company’s executive and non-executive directors, full-time employees of the Group, advisers and consultants of the Group. The 2012 Share Option Scheme was expired on 1 August 2022. The 2023 Share Option Scheme became effective on 15 May 2023 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon expiry of the Schemes, the options granted under the Scheme remain valid until they expire. Further details of the term and validity of the options are set out below.

The maximum number of shares which may be issued upon exercise of all options granted and yet to be granted under the Schemes is currently limited to 30% of the shares of the Company in issue at any time. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each eligible participant in the Schemes in any 12-month period up to the date of the grant is limited to 1% of the aggregate number of issued shares of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors at their discretion, and commences on the date upon which the options are deemed to be granted and accepted.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. Details of the specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price HK\$
13 May 2021	13 May 2021	13 May 2021 – 12 May 2031	2.19*
16 June 2022	16 June 2022	16 June 2022 – 15 June 2032	1.40*
10 August 2023	10 August 2024	10 August 2024 – 9 August 2033	3.42

* as adjusted

For options granted on 13 May 2021, 16 June 2022 and 10 August 2023, if the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	As at 30 June 2024		As at 30 June 2023	
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
Outstanding at the beginning of the period	5,640,775	2.29	4,220,246	1.88
Lapsed during the period	(200,000)	1.40	(117,471)	1.88
Outstanding at the end of the period	5,440,775	2.32	4,102,775	1.88

The estimated fair values of the options granted on 13 May 2021, 16 June 2022 and 10 August 2023 are approximately HK\$2,992,000, HK\$1,172,000 and HK\$2,695,000 respectively.

At the date of approval of these condensed consolidated interim financial statements, the number of share options permitted to be granted under the Scheme was 4,608,523 (2023: 6,176,523), representing 6.29% (2023: 10%) of the Company's shares in share as at that day.

These fair values were calculated using Binominal pricing model. The inputs into the model are as follows:

	10 August 2023	16 June 2022	13 May 2021
Share price at the date of grant	HK\$3.23	HK\$0.14	HK\$0.245
Exercise price	HK\$3.42	HK\$0.14	HK\$0.245
Expected volatility	76.59%	65.11%	68.33%
Expected life	10 years	10 years	10 years
Risk free rate	3.356%	3.23%	1.2%
Expected dividend yield	0%	0%	0%
Expected Early Exercise Multiple	2.2/2.8	2.2	2.2

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

21. Contingent liabilities

As at 30 June 2024, the Group did not have any significant contingent liabilities (31 December 2023: Nil).

22. Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 22 August 2024.

GENERAL INFORMATION

Directors' service contracts

At 30 June 2024, none of the Directors had any existing or proposed service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' interests in contracts

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the six months ended 30 June 2024.

Directors' interests and short positions in shares and underlying shares

At 30 June 2024, the interests and short positions of the Directors in the share capital and underlying shares of the Company or 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 by the Company pursuant to section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Capacity	Nature of Interest		Percentage of the Company's issued share capital (approximately) (Note a)
		Registered Shareholder	Underlying Interest	
Executive Directors				
WONG King Shiu, Daniel	Beneficial owner	639,550	–	0.87%
		–	615,000 (Note b)	0.84%
Non-Executive Directors				
LI Sai Wing, JP, MH	Beneficial owner	–	200,000	0.27%
Independent Non-Executive Directors				
HUNG Hing Man (Resigned on 1 August 2024)	Beneficial owner	–	34,000 (Note c)	0.05%
WONG Hoi Kuen	Beneficial owner	–	34,000 (Note c)	0.05%
CHEN Shengrong	Beneficial owner	–	34,000 (Note c)	0.05%
Former Executive Director				
CHANG Ki Sum Clark	Beneficial owner	–	614,374	0.84%

Notes:

- (a) The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 73,265,237 Shares.
- (b) Mr. Wong King Shiu, Daniel was granted 3,430,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).
- (c) The directors were each granted 340,000 share options on 16 June 2022 (prior to consolidation of the shares of the Company on the basis of 10 existing shares into 1 consolidated share).

Save as disclosed above and in the section headed "Share Options", as at 30 June 2024, none of the Directors or chief executive had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

Directors' rights to acquire shares or debentures

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares" and "Share Options", at no time during the six months ended 30 June 2024, were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Share Option Scheme

2012 Share Option Scheme

The Company has adopted a share option scheme with effect from 2 August 2012 pursuant to an ordinary resolution passed by the Shareholders (the "2012 Share Option Scheme"). On 13 May 2021, the Company granted a total of 23,900,000 share options with rights to subscribe for 23,900,000 shares of the Company and further granted a total of 16,360,000 share options on 16 June 2022 with rights to subscribe for 16,360,000 shares of the Company.

Purpose of the 2012 Share option scheme

The purpose of the 2012 Share Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The 2012 Share Option Scheme provides the participants with the opportunity to acquire proprietary interests in the Company and will encourage such participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

Participants of the 2012 Share Option Scheme

The 2012 Share Option Scheme also attracts and retains the best available personnel and to provide additional incentive to an employee, director (including executive director, non-executive director or independent non-executive director), consultant, professional adviser, customer, business partner, joint venture partner, strategic partner or any supplier or provider of goods or services to, the Group, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

The basis of eligibility of any participant to the grant of any share option shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group. The Board may, at its absolute discretion and on such terms as it may think fit and in accordance with the rules of the 2012 Share Option Scheme, grant share options under the 2012 Share Option Scheme to the eligible participants.

Total number of shares available for issue

The 2012 Share Option Scheme has expired on 1 August 2022 and no more share options may be granted under the 2012 Share Option Scheme during the Period. The outstanding share options under the 2012 Share Option Scheme would continue to be exercisable. Subsequent to the Period, 33,562 and 34,000 share options were lapsed in July 2024 and August 2024 respectively. 3,835,213 share options are outstanding and so a total of 3,835,213 shares are available for issue, which represents 5.23% of the issued Shares as at the date of this report.

The scheme mandate limit of the 2012 Share Option Scheme was refreshed by way of ordinary resolution in the EGM held on 5 November 2021. Prior to the expiry of the 2012 Share Option Scheme, the Company was able to grant 34,314,132 share options under the 2012 Share Option Scheme under the refreshed mandate limit, being 10% of the total number of shares in issue on 5 November 2021.

Maximum entitlement of each participant under the 2012 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share options granted under the 2012 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share options) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

Period within which the option may be exercised by the grantee

The Company granted share options under the 2012 Share Option Scheme in 13 May 2021 and 16 June 2022. The exercise period for the respective share options granted was 10 years from the date of grant, from 13 May 2021 to 12 May 2031 and 16 June 2022 to 15 June 2032.

Vesting period of options granted

There is no vesting period with the share options granted on 13 May 2021 and 16 June 2022.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

Basis of determining the exercise price of options

The subscription price of a Share in respect of any particular share option granted under the 2012 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

Remaining life of the 2012 Share Option Scheme

The 2012 Share Option Scheme was valid and effective for a period of ten years from 2 August 2012 until its expiry on 1 August 2022. The outstanding share options granted under the 2012 Share Option Scheme remain valid until its expiry, being 10 years from the date of grant and being 12 May 2031 in respect of the share options granted in May 2021 and on 15 June 2032 in respect of the share options granted in June 2022.

During the Period, movements of the options which have been granted under the 2012 Share Option Scheme are set out below:

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of share options					Outstanding as at 30 June 2024
						Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	
SUBSTANTIAL SHAREHOLDER											
ZHANG Rong	Substantial Shareholder	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	25,730	—	—	—	—	25,730
Sub-total:						25,730	—	—	—	—	25,730
DIRECTOR											
WONG King Shiu, Daniel	Executive Director ("ED"), Chairman and Chief Executive Director	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	343,000	—	—	—	—	343,000
HUNG Hing Man (Resigned on 1 August 2024)	Independent non-executive Director ("INED")	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	—	—	—	34,000
WONG Hoi Kuen	INED	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	—	—	—	34,000
CHEN Shengrong	INED	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	34,000	—	—	—	—	34,000
FORMER DIRECTOR											
CHANG Ki Sum Clark ED		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	267,374	—	—	—	—	267,374
		1.40	16/6/2022	N/A	13 May 2021 to 12 May 2031	73,000	—	—	—	—	73,000
Sub-total:						785,374	—	—	—	—	785,374

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of share options					Outstanding as at 30 June 2024
						Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	
EMPLOYEES											
Batch A ¹		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	268,492	—	—	—	—	268,492
Batch B ¹		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	184,588	—	—	—	—	184,588
Batch C ¹		2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	1,246,255	—	—	—	—	1,246,255
Batch D ¹		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	245,000	—	(80,000)	—	—	165,000
Batch E ¹		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	430,000	—	(120,000)	—	—	310,000
Batch F ¹		1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	343,000	—	—	—	—	343,000
Sub-total:						2,717,335	—	(200,000)	—	—	2,517,335
CONSULTANTS											
WEI Qi	AI consultant	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	237,168	—	—	—	—	237,168
WEI Guokang	Data center construction Consultant	2.19	13/5/2021	N/A	13 May 2021 to 12 May 2031	237,168	—	—	—	—	237,168
HUANG Jiehuan	Consultant (Algorithm)	1.40	16/6/2022	N/A	16 June 2022 to 15 June 2032	100,000	—	—	—	—	100,000
Sub-total:						574,336	—	—	—	—	574,336
TOTAL:						4,102,775	—	(200,000)	—	—	3,902,775

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	18 (6 of the 18 employees resigned and the options granted have been lapsed)
B	50,001 to 100,000	4 (1 of the 4 employees resigned and the options granted have been lapsed)
C	200,001 to 250,000	5
D	0 to 50,000	10 (4 of the 10 employees resigned and the options granted have been lapsed)
E	50,001 to 100,000	6 (1 of the employees was a grantee of Batch A and 2 of the 6 employees resigned and the options granted have been lapsed)
F	200,001 to 343,000	1

Note 2:

The number of outstanding share options and the exercise price were adjusted accordingly upon completion of rights issue on the basis of one rights share for every two existing shares on 11 April 2022 and completion of share consolidation of every ten issued and unissued existing shares be consolidated into one consolidated share on 5 December 2022.

Note 3:

The options have an exercise period of ten years from date of grant. They do not have any vesting period nor performance target.

Note 4:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 16 June 2022) was HK\$0.140 (prior to completion of the share consolidation mentioned in Note 2 above).

2023 Share Option Scheme

The Company has adopted the 2023 Share Option Scheme with effect from 15 May 2023 (the "Adoption Date") pursuant to an ordinary resolution passed by the Shareholders. The Company is entitled to offer 6,176,523 share options under the scheme mandate and 617,652 share options under the service provider sublimit upon the adoption of the share option scheme. As at the date of this report, 1,538,000 share options have been granted under the 2023 Share Option Scheme. As at the beginning and end of the Period and as at the date of this report, the Company is entitled to offer up to a total of 4,608,523 share options under the scheme mandate, and 617,652 share options under the service provider sublimit.

Purpose and Participants of the 2023 Share Option Scheme

The purpose of the 2023 Share Option Scheme is to enable the Board to grant share options to (i) director(s) and employee(s) of the Company or any of its subsidiaries; (ii) directors and employees of holding companies, fellow subsidiaries or associate companies of the Company; and (iii) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group such as advisers, consultants, distributors, contractors, suppliers, agents and service providers of any subsidiary of the Group ("Service Providers" and collectively referred as the "Eligible Participants") as incentives or rewards for their contribution or potential contribution to the Group.

The Directors are of the view that the adoption of the 2023 Share Option Scheme aligns with the market practice of providing incentives to employee participants to work towards achieving the long-term objectives for the benefit of the Group as a whole.

The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate and take into account criteria based on the nature of the contributions made by the Eligible Participants before granting Share Option(s) to them.

Total number of share available for issue

Pursuant to an ordinary resolution passed by the Shareholders on 15 May 2023, the Company is entitled to issue a maximum of 6,176,523 Shares upon exercise of the share option to be granted under the scheme, representing 10% of the issued Shares as at the date of this report.

The Company had granted 1,568,000 share options under the 2023 Share Option Scheme on 10 August 2023 to certain directors and employees of the Company at an exercise price of HK\$3.42 per Share. 30,000 share options were lapsed in October 2023. During the Period, no options had been granted to service providers and the service provider sublimit has not been utilized.

As at the date of this report, 1,538,000 share options are outstanding and so 1,538,000 shares are available for issue, representing approximately 2.10% of the issued Shares.

Maximum entitlement of each participant under the 2023 Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the share option granted under the 2023 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding share option) to each participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of share option in excess of this 1% limit shall be subject to the issuance of circular by the Company to seek the approval of the Shareholders in general meeting and/or subject to other requirements prescribed under the GEM Listing Rules.

The Board has also set the service provider sublimit in respect of the total number of Shares which may be allotted and issued in respect of all share option to be granted to Service Providers under the 2023 Share Option Scheme to 1% of the total number of Shares in issue on the Adoption Date, being no more than 617,652 Shares.

Period within which the option may be exercised by grantee

The option granted under the 2023 Share Option Scheme shall be exercised in 10 years from the date of grant.

Vesting Period of the options granted

The vesting period of share options granted under the 2023 Share Option Scheme shall be determined by the Board subject to a minimum period of no less than 12 months.

The amount payable on acceptance of options

Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant no later than 30 days from the date of grant.

Basis of determining the exercise price of options granted

The exercise price of a Share in respect of any particular share option granted under the 2023 Share Option Scheme shall be such price as the Board in its absolute discretion shall determine at the time of grant, save that such price will be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The remaining life of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

During the Period ended 30 June 2024, movements of the options which have been granted under the 2023 Share Option Scheme are set out below:

Name	Title	Exercise price (HK\$)	Date of Grant	Vesting period	Exercise Period	Number of share options					Outstanding as at 30 June 2024
						Balance as at 1 January 2024	Granted	Lapsed	Cancelled	Exercised	
DIRECTOR											
WONG King Shiu, Daniel	ED, Chairman and Chief Executive Director	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	272,000	–	–	–	–	272,000
LI Sai Wing, JP, MH	Non-executive Director	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	200,000	–	–	–	–	200,000
FORMER DIRECTOR											
CHANG Ki Sum Clark	ED	3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	274,000	–	–	–	–	274,000
Sub-total:						746,000	–	–	–	–	746,000
EMPLOYEES											
Batch A ¹		3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	180,000	–	–	–	–	180,000
Batch B ¹		3.42	10/8/2023	10 August 2024	10 August 2024 – 9 August 2033	612,000	–	–	–	–	612,000
Sub-total:						822,000	–	–	–	–	792,000
TOTAL:						1,538,000	–	–	–	–	1,538,000

Note 1:

Batch	Number of Options Granted to each employee	Number of Employees
A	0 to 50,000	6 (1 of the 6 employees resigned and the options granted have been lapsed)
B	50,001 to 400,000	2

Note 2:

The options have an exercise period of ten years from date of grant. They have an exercise period from 10 August 2024 to 9 August 2033, both day inclusive. There is no performance target attached to the options.

Note 3:

The closing price of the shares immediately before the date on which the share options were granted (i.e. 9 August 2023) was HK\$3.42.

Substantial shareholders' and other persons' interests in shares and underlying shares

At 30 June 2024, the following interests of 5% or more of the issued share capital of the Company were required to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital <i>(approximately)</i> <i>(Note a)</i>
Mr. ZHANG Rong ("Mr. Zhang")	Beneficial owner	15,027,499	20.51%
		<i>(Registered shareholder)</i>	
		25,730	0.04%
		<i>(underlying interest)</i>	
	Through controlled corporation	3,008,800	4.12%
		<i>(Registered shareholder)</i> <i>(Note b)</i>	
Dr. LEE Ying Chiu Herbert ("Dr. Lee")	Through controlled corporation	2,652,038	3.62%
		<i>(Registered shareholder)</i> <i>(Note c)</i>	
		3,335,323	4.55%
		<i>(Underlying interest)</i> <i>(Note d)</i>	
Mr. LAM Shu Chung ("Mr. Lam")	Beneficial owner	3,801,300	5.19%
		<i>(Registered shareholder)</i>	
Ms. CHOI Hing Lin Lori ("Ms. Choi")	Interest of Spouse <i>(Note e)</i>	3,801,300	5.19%
Mr. TANG Keung	Beneficial owner	3,503,400	4.78%
		<i>(Registered shareholder)</i>	

Notes:

- (a) *The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 73,265,237.*
- (b) *The 3,008,800 Shares are held by Corporate Advisory Limited (“Corporate Advisory”), which is wholly-owned by Mr. Zhang. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.*
- (c) *The 2,652,038 Shares are held by Marvel Digital Group Limited (“Marvel Digital”) which is wholly-owned by Dr. Lee. Pursuant to the Division 7 and 8 of Part XV of the SFO, Dr. Lee is deemed to have an interest in all shares in which Marvel Digital has, or deemed to have an interest.*
- (d) *The 3,335,323 Shares are held by Marvion Group Limited (“Marvion Group”) of which Dr. Lee indirectly holds 26.97% of its shareholding.*

On 19 September 2023, Beauty Intentions Limited (a direct wholly-owned subsidiary of the Company) as Purchaser, the Company and Marvion Group (as one of the Vendors) entered into the Sale and Purchase Agreement pursuant to which the Vendors have conditionally agreed to sell to Beauty Intentions and Beauty Intentions has conditionally agreed to acquire the entire issued share capital of Autostereoscopic 3D Limited. The consideration for the Proposed Acquisition is HK\$100 million, which shall be settled by (i) the Promissory Notes in the aggregate principal amount of HK\$75,985,677.28; and (ii) the allotment and issue of a total of 11,117,742 Consideration Shares by the Company to the Vendors (or their nominee(s)). According to the Proposed Acquisition above, Dr. Lee is deemed to have an underlying interest in all shares in which Marvion Group has, or deemed to have an interest as at 30 June 2024.

Subsequent to the Reporting Period, the Proposed Acquisition has been unilaterally terminated with effect from 11 July 2024 (the “Termination”). Details of the Termination are set out in the announcement in relation thereto on 12 July 2024. Marvion Group and Dr. Lee no longer holds the underlying interest of abovementioned 3,335,323 Shares thereafter.

- (e) *Ms. Choi is the spouse of Mr. Lam, and therefore deemed to have an interest on the Shares in which Mr. Lam has, or deemed to have, an interest.*

Save as disclosed above, as at 30 June 2024, no person, other than the Directors of the Company, whose interests are set out in the section “Directors’ interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded pursuant to Section 336 of the SFO.

Purchase, sale or redemption of the Company’s listed securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of Company’s listed securities (including sale of treasury shares).

Competing Interests of Directors and controlling shareholders

During the six months ended 30 June 2024 and up to the date of this report, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CORPORATE GOVERNANCE

Corporate governance practices

During the six months ended 30 June 2024, the Company has complied with the code provisions on the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the GEM Listing Rules, except for the followings:

Code Provision C.2.1

Code Provision C.2.1 stipulates the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong King Shiu, Daniel (“Mr. Wong”) now serves as both the chairman (the “Chairman”) and the chief executive officer of the Company (the “Chief Executive Officer”), such practice deviates from code provision C.2.1 of the Code. The Board is of the opinion that it is appropriate and in the best interests of the Company for Mr. Wong to hold both positions as it helps maintain the continuity of the policies and the stability of the operations of the Company.

Code of conduct regarding securities transactions by Directors

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required Standard of dealings and its code of conduct regarding securities transactions by the Directors during the six months ended 30 June 2024.

Audit Committee

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

The role and functions of the Audit Committee include but not limited to supervising the financial reporting procedure and reviewing the consolidated financial statements of the Group, overseeing the Company’s financial reporting system risk management and internal control systems adopted by the Group and reviewing the relevant work of the Group’s external auditor. The Audit Committee had reviewed this report and confirmed that it complies with the applicable standard, the GEM Listing Rules and other applicable legal requirements and the adequate disclosures have been made. There is no disagreement between the members of the Audit Committee regarding the selection and appointment of external auditors.

As at the date of this report, the Audit Committee comprises three members, including Mr. Wong Hoi Kuen (Audit Committee chairman), Dr. Chen Shengrong and Mr. Chu Wun Chiu. All Audit Committee Members are independent non-executive Directors.

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

Change in information of Directors

Pursuant to the Rule 17.50A(1) of the GEM Listing Rules, the changes in information of Directors during the six months ended 30 June 2024 and up to the date of this report are set out below:

- (1) Mr. Hung Hing Man has resigned as independent non-executive director of Town Health International Medical Group Limited (stock code: 3886) with effect from 12 January 2024.
- (2) Mr. Chang Ki Sum Clark ("Mr. Chang") has retired as an executive Director and accordingly resigned from the positions of authorized representative and process agent of the Company with effect from the conclusion of the annual general meeting on 28 June 2024 ("AGM").
- (3) Mr. Chu Joshua Allen Kiu Wah ("Mr. Chu") has been appointed as executive Director by Shareholders in the AGM.
- (4) Mr. Wong King Shiu, Daniel ("Mr. Wong"), executive Director of the Company, has been appointed as the authorized representative and process agent of the Company immediately following the resignation of Mr. Chang on 28 June 2024.
- (5) Mr. Hung Hing Man has resigned as independent non-executive director of the Company and ceased to be the Chairman of Audit Committee and nomination committee of the Company (the "Nomination Committee") and member of remuneration committee of the Company (the "Remuneration Committee") with effect from 1 August 2024.
- (6) Ms. Leung Kar Ming, MH has been appointed as non-executive Director of the Company with effect from 1 August 2024.
- (7) Mr. Chu Wun Chiu has been appointed as independent non-executive Director of the Company with effect from 1 August 2024. He has been appointed as members of Audit Committee, Remuneration Committee and Nomination Committee with effect from 1 August 2024.
- (8) Mr. Wong Hoi Kuen has been redesignated as the Chairman of Audit Committee and Nomination Committee with effect from 1 August 2024.

Save as disclosed above, there are no other matters required to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules.

Continuing Disclosure Obligations Pursuant to the GEM Listing Rules

The Company does not have any other disclosure obligation under Rule 17.22, Rule 17.23 and Rule 17.24 of the GEM Listing Rules.

Internal control and Risk management

The Board has the ultimate responsibility to maintain sound and effective internal control and risk management systems for the Group to safeguard the shareholders' investment and the Group's assets and to ensure strict compliance with relevant laws, rules and regulations. The Group has established a risk management framework which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Audit Committee is responsible for reviewing the effectiveness of the internal control and risk management systems and reporting to the Board. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls.

Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023: Nil).

Events after Reporting Period

Save as disclosed in this report, there was no other significant event after the reporting period.

By Order of the Board
China Information Technology Development Limited
Wong King Shiu, Daniel
Chairman and Chief Executive Officer

Hong Kong, 22 August 2024

As at the date of this report, the Board comprises Mr. Wong King Shiu, Daniel (Chairman and Chief Executive Officer) and Mr. Chu Joshua Allen Kiu Wah as executive Directors; Hon. Li Sai Wing, JP, MH and Ms. Leung Kar Ming, MH as non-executive Directors; Mr. Wong Hoi Kuen, Dr. Chen Shengrong, Mr. Chu Wun Chiu as independent non-executive Directors.