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**Well Link Securities Holdings Limited**  
**立橋證券控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(formerly known as Excalibur Global Financial Holdings Limited 駿溢環球金融控股有限公司)*

**(Stock code: 8350)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

**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.**

*This announcement, for which the directors (the “**Directors**”) of Well Link Securities Holdings Limited (the “**Company**”) 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 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 OF 2024 INTERIM RESULTS**

- The Group has recorded a decrease in revenue of approximately 41.6% from approximately HK\$10.3 million for the period ended 30 June 2023 to approximately HK\$6.0 million for the period ended 30 June 2024. Such decrease was mainly due to the reduction of placing and introductory fee income of approximately HK\$7.3 million, partially offset by an increase of brokerage and related fee income of approximately HK\$2.8 million.
- Loss for the period ended 30 June 2024 was approximately HK\$1.1 million, as compared to the profit of approximately HK\$2.2 million for period ended 30 June 2023. Such was mainly due to the decrease in revenue as explained above albeit cost cutting measure continued to take effect.
- The basic loss per share was approximately HK0.14 cents for the period ended 30 June 2024, while the basic earnings per share was approximately HK0.28 cents for the period ended 30 June 2023.
- The Board of Directors does not recommend the payment of interim dividend for the period ended 30 June 2024 (interim dividend for the period ended 30 June 2023: Nil).

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the period ended 30 June 2024, together with the comparative unaudited figures for the corresponding period in 2023, as follows:

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

*For the period ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	<i>5</i>		
Contracts with customers		<b>3,766</b>	8,591
Interest under effective interest method		<u><b>2,231</b></u>	<u>1,671</u>
		<u><b>5,997</b></u>	<u>10,262</u>
Other income, net	<i>6</i>	<b>32</b>	50
Reversal of impairment loss on loan and interest receivables		–	697
Salaries and other benefits		<b>(2,495)</b>	(3,082)
Other operating and administrative expenses		<b>(3,949)</b>	(3,915)
Finance costs	<i>7</i>	<u><b>(659)</b></u>	<u>(976)</u>
<b>(Loss) profit before tax</b>		<b>(1,074)</b>	3,036
Income tax expense	<i>8</i>	<u><b>(48)</b></u>	<u>(787)</u>
<b>(Loss) profit and total comprehensive (expense) income attributable to owners of the Company for the year</b>	<i>9</i>	<u><u><b>(1,122)</b></u></u>	<u><u>2,249</u></u>
<b>(Loss) earnings per share</b>	<i>11</i>		
Basic ( <i>HK cents</i> )		<b>(0.14)</b>	0.28
Diluted ( <i>HK cents</i> )		<u><b>N/A</b></u>	<u>N/A</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		2024	2023
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property and equipment		301	309
Right-of-use assets		832	1,717
Intangible assets		1,236	1,030
Statutory deposits		3,016	3,030
Deferred tax assets		7,034	6,913
Loan and interest receivables	13	<u>435</u>	<u>12,241</u>
		<u>12,854</u>	<u>25,240</u>
<b>Current assets</b>			
Accounts receivables arising from ordinary course of business	12	10,386	30,619
Prepayments and other receivables		2,053	1,908
Loan and interest receivables	13	14,189	1,538
Cash and cash equivalents		<u>12,506</u>	<u>12,369</u>
		<u>39,134</u>	<u>46,434</u>
<b>Current liabilities</b>			
Accounts payables arising from ordinary course of business	14	794	18,254
Other payables and accruals		3,674	1,286
Lease liabilities		988	1,758
Notes payable		40,000	–
Tax payables		<u>–</u>	<u>167</u>
		<u>45,456</u>	<u>21,465</u>
<b>Net current (liabilities) assets</b>		<u>(6,322)</u>	<u>24,969</u>
<b>Total assets less current liabilities</b>		<u>6,532</u>	<u>50,209</u>

	<b>2024</b>	2023
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Other payables and accruals	–	2,300
Lease liabilities	–	256
Notes payable	–	40,000
	<u>–</u>	<u>42,556</u>
<b>NET ASSETS</b>	<b><u>6,532</u></b>	<b><u>7,653</u></b>
<b>Capital and reserves</b>		
Share capital	<b>8,000</b>	8,000
Reserves	<b><u>(1,468)</u></b>	<u>(347)</u>
<b>TOTAL EQUITY</b>	<b><u>6,532</u></b>	<b><u>7,653</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Well Link Securities Holdings Limited (formerly known as Excalibur Global Financial Holdings Limited) (the “**Company**”) was incorporated in Cayman Islands on 13 July 2016 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. The immediate and ultimate holding company of the Company is Well Link Fintech Holdings Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Xu Chujia, father of Ms. Xu Wenxia, Chairman of the Company.

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 29 December 2023, the name of the Company was, changed from “Excalibur Global Financial Holdings Limited” to “Well Link Securities Holdings Limited”.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report.

The Company and its subsidiaries (together, the “**Group**”) mainly provides brokerage services for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION

This unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**” or “**SEHK**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an unaudited interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited interim financial statements contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Group incurred a net loss of approximately HK\$1.1 million for the period ended 30 June 2024 and had net current liabilities of HK\$6.3 million as at 30 June 2024. The conditions indicate the existence of uncertainties which may cast doubt on the Group’s ability to continue as going concern. In view of these circumstances, the Board has given careful consideration to the future liquidity and performance of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern, including but not limited to: i) the Group is discussing potential fund-raising options to repay the notes payable of HK\$40.0 million due in January 2025, which is expected to materialise in September 2024; ii) the Group currently has cash balance of approximately HK\$12.5 million; iii) excluding non-cash expenses of depreciation of right-of-use assets and property and equipment which totals HK\$0.9 million, the Group had minimal loss before tax of HK\$0.2 million; iv) the Group foresees a turnaround in business in the third quarter of 2024 as we believe that our IT enhancements and marketing campaigns will begin to materialise into a broader client base and generate more stable recurring income; and v) loan and interest receivables will be due in the next twelve months which could be realised into cash of approximately HK\$14.2 million. Taking into the above considerations, the Board believes that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the next twelve months from the date of the end of the reporting period for the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis for the interim period ended 30 June 2024.

### 3. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “ <b>2020 Amendments</b> ”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “ <b>2022 Amendments</b> ”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Above amendments have been adopted for the first time in the current accounting period, but do not have material impact on the financial results and position of the Group.

#### 4. SEGMENT REPORTING

Information reported to the Board, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments are as follows:

Brokerage services, margin financing and related advisory services	–	Provision of brokerage services on securities, initial public offering financing service, equity and debt securities placing services and advisory services
Money lending	–	Provision of money lending services

#### Segment revenue and results

For the period ended 30 June 2024

	Brokerage services, margin financing and related advisory services <i>HK\$’000</i>	Money lending <i>HK\$’000</i>	Total <i>HK\$’000</i>
Segment revenue	<u>4,020</u>	<u>1,977</u>	<u>5,997</u>
Segment results	<u>(592)</u>	<u>880</u>	288
Unallocated corporate income			–
Unallocated corporate expenses			<u>(1,362)</u>
Loss before tax			<u>(1,074)</u>



For the period ended 30 June 2023

	Brokerage services, margin financing and related advisory services <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>8,839</u>	<u>1,423</u>	<u>10,262</u>
Segment results	<u><u>6,159</u></u>	<u><u>1,548</u></u>	7,707
Unallocated corporate income			50
Unallocated corporate expenses			<u>(4,721)</u>
Profit before tax			<u><u>3,036</u></u>

## 5. REVENUE

**Disaggregation of revenue from contracts with customers and reconciliation with the amounts disclosed in the segment information.**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Types of service</b>		
Brokerage service:		
Futures and options trading	352	819
Stock options trading	30	97
Securities trading	3,383	45
Placing service	–	5,441
Advisory service	<u>–</u>	<u>1,819</u>
<b>Revenue from contracts with customers</b>	<u><u>3,765</u></u>	<u><u>8,221</u></u>
<b>Timing of revenue recognition</b>		
A point in time	<u>3,765</u>	<u>8,221</u>
Margin financing	255	618
Money lending	<u>1,977</u>	<u>1,423</u>
<b>Revenue from interest under effective interest method</b>	<u>2,232</u>	<u>2,041</u>
<b>Total revenue</b>	<u><u>5,997</u></u>	<u><u>10,262</u></u>

**6. OTHER INCOME, NET**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income	50	51
Exchange loss, net	(16)	(24)
Sundry (expense) income	(2)	23
	<u>32</u>	<u>50</u>

**7. FINANCE COSTS**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interests on:		
– Lease liabilities	59	147
– Bank borrowing	–	229
– Notes payables	600	600
	<u>659</u>	<u>976</u>

**8. INCOME TAX EXPENSE**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Current tax</b>		
Hong Kong	(145)	(79)
<b>Deferred tax</b>		
Current year	97	(708)
Total income tax expense	<u>(48)</u>	<u>(787)</u>

## 9. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Staff costs:		
Directors' remuneration	<u>250</u>	<u>570</u>
Other staff costs (excluding directors' emoluments)		
– Salaries, allowance and benefits in kind	2,129	2,396
– Contribution to retirement benefits schemes	<u>115</u>	<u>116</u>
	<u>2,244</u>	<u>2,512</u>
Total staff costs	<u>2,494</u>	<u>3,082</u>
IT and communication expenses	1,869	1,621
Commission expenses	97	174
Auditor's remuneration	–	296
Legal and professional fee	36	1,015
Depreciation of property and equipment	7	8
Depreciation of right-of-use assets	<u>885</u>	<u>45</u>

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the period ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 11. (LOSS) EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss) earnings for the year attributable to owners of the Company	<u>(1,122)</u>	<u>2,249</u>

	2024 <i>'000</i>	2023 <i>'000</i>
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### Number of shares

Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>800,000</u>	<u>800,000</u>
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No diluted (loss) earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

## 12. ACCOUNTS RECEIVABLES ARISING FROM ORDINARY COURSE OF BUSINESS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts receivables – contracts with customers		
– Cash clients	5	295
– Clearing houses	1,696	14,842
– Brokers and others	<u>4,571</u>	<u>10,153</u>
	<u>6,272</u>	<u>25,290</u>
Accounts receivables from margin clients	4,297	5,512
Less: Allowance for credit losses	<u>(183)</u>	<u>(183)</u>
	<u>4,114</u>	<u>5,329</u>
	<u>10,386</u>	<u>30,619</u>

### Ageing analysis

The ageing analysis of accounts receivables, net of allowance for credit losses that are neither individually nor collectively considered to be impaired are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current (not past due)	8,567	30,619
Past due under 180 days	<u>1,819</u>	<u>–</u>
	<u><b>10,386</b></u>	<u><b>30,619</b></u>

Other than receivables from cash clients and margin clients in aggregate of approximately HK\$4,119,069 (2023: approximately HK\$5,624,000), the Group does not hold any collateral over these balances.

### 13. LOAN AND INTEREST RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fixed-rate loan and interest receivables		
– Secured	1,955	2,033
– Unsecured	<u>13,849</u>	<u>12,926</u>
	<b>15,804</b>	14,959
Less: Allowance for credit losses	<u>(1,180)</u>	<u>(1,180)</u>
	<u><b>14,624</b></u>	<u><b>13,779</b></u>
Analysed as:		
Non-current assets	435	12,241
Current assets	<u>14,189</u>	<u>1,538</u>
	<u><b>14,624</b></u>	<u><b>13,779</b></u>

As at 30 June 2024, included in the Group's loan and interest receivables are debtors with aggregate carrying amount of approximately HK\$1,972,384 (2023: approximately HK\$839,000) which are past due as at the reporting date.

The exposure of the Group's loan and interest receivables before expected credit loss to interest rate risks and their contractual maturity dates are as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Loan and interest receivables:		
– On demand or within one year	<b>15,369</b>	1,538
– Within a period of more than one year but not exceeding two years	<b>435</b>	13,131
– Within a period of more than two years but not exceeding five years	<u>–</u>	<u>290</u>
	<b><u>15,804</u></b>	<b><u>14,959</u></b>

#### **14. ACCOUNTS PAYABLES ARISING FROM ORDINARY COURSE OF BUSINESS**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Accounts payables		
– Clearing houses	–	800
– Cash and margin clients	<u>794</u>	<u>17,454</u>
	<b><u>794</u></b>	<b><u>18,254</u></b>

Accounts payables to clients arising from ordinary course of business are margin deposits received from clients for their trading of futures contracts and options on the HKFE and overseas exchanges through overseas brokers, stock options on the SEOCH and securities on SEHK.

All of the accounts payables are repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK AND BUSINESS PLAN

The market condition in the first half of 2024 was mixed as the Hong Kong market demonstrated a strong rebound from January to May but the momentum did not continue into June. The fund-raising condition was rather weak and the overall market liquidity was not too promising either. Nonetheless, the Group is on track in upgrading its IT trading platform and we are transforming into a fully digitalized securities and wealth management company. We are in stages offering a full array of products which can be traded through our one mobile APP, including: i) Hong Kong stocks, stocks options and futures; ii) United States stocks, stocks options and futures; iii) China A-shares stocks through the Hong Kong-Shenzhen-Shanghai Connect; iv) investment funds; and v) bonds. We have also devoted more resources into marketing and expect to generate positive synergy through working with our related companies, namely Well Link Bank, Well Link Life Insurance and Well Link General Insurance

### BUSINESS REVIEWS

#### **Brokerage business, related advisory services and margin financing business**

The Group mainly provides futures and options, stock options and securities broking, related advisory services, margin financing service through its Type 1 (Dealing in Securities), Type 2 (Dealing in Futures), Type 4 (Advising on Securities) and Type 5 (Advising on Futures) licensed business under the Hong Kong Securities and Futures Ordinance. The Group mainly derived the revenue from brokerage fees received as an introducing broker or directly from the clients for the execution and/or facilitation of trades and interest for the margin loan to clients.

The revenue for the period ended 30 June 2024 (the “**Period**”) of the brokerage service, related advisory services and margin financing business was approximately HK\$4.0 million, represents a decrease of approximately HK\$4.8 million or approximately 54.5% compared to the period ended 30 June 2023 (the “**Prior Period**”). Such decrease was mainly due to a decline in placing and advisory services fee income of approximately HK\$7.3 million, but was partially offset by an increase in brokerage services income of HK\$2.8 million.

Though the decline in revenue in this segment was disappointing, we remain positive for the second half of the year as we believe that our IT enhancements and marketing campaigns will begin to materialize into a broader client base and generate more stable recurring income.

## Money lending business

The Group carries on money lending activities through its wholly owned subsidiary Excalibur Finance Limited. The Group utilizes its internal resources to finance its money lending business. Our target loan size ranges from HK\$100,000 to HK\$5.0 million in order to achieve a suitable diversification relative to the Group's asset size. Each loan may be secured or unsecured, and the corresponding interest rate charged is based on prevailing market conditions. The Group acquires its business from business partners or internal staff. In relation to secured loans, our target customer is relatively broad as we focus more on acceptable loan-to-value ratio and collateral liquidity. In relation to unsecured loans, we focus on customers with good credit history and strong sources of repayment.

As at 30 June 2024, the Group had loan and interest receivables of approximately HK\$14.6 million (31 December 2023: HK\$13.8 million), net of allowance for expected credit loss of approximately HK\$1.2 million (31 December 2023: HK\$1.2 million). The Group recorded interest income from loan receivables of approximately HK\$2.0 million for the Period (Prior Period: HK\$1.4 million). The increase in loan and interest receivables was mainly due to the accrual of interest receivable, while the Group did not enter into any new loan agreements this Period.

As at 30 June 2024, there were 7 loans outstanding with principal amount ranging from approximately HK\$0.2 million to HK\$4.2 million, four of which were secured loans collateralized with residential properties located in Hong Kong with loan-to-value ratio between 16% to 63%. The interest rate of all the loans outstanding ranges from 11.4% to 19.2% per annum. The loans receivables from the largest five borrowers represented 95.3% of the total loans outstanding.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan. The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) reviewing and assessing their financial information; and (b) performing an assessment on their creditability. The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or enterprise, on a case by case basis considering factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.



## **FINANCIAL REVIEW**

### **Revenue and result**

The Group has recorded a decrease in revenue of approximately 41.6% from approximately HK\$10.3 million from Prior Period to approximately HK\$6.0 million for this Period. Such decline was mainly due to the decline in revenue from the brokerage business, related advisory services and margin financing business segment mentioned above.

Loss for the Period was approximately HK\$1.1 million, as compared to the profit of approximately HK\$2.2 million for Prior Period. Further cost saving of approximately HK\$0.9 million in salaries and other benefits, other operating and administrative expenses and finance costs was unable to cover the reduction in revenue for the Period.

### **Other net income**

For the Period, the Group's other net income amounted to approximately HK\$32,000, compared to approximately HK\$50,000 for the Prior Period. The variance was not material to the financial results of the Group.

### **Staff costs and remuneration policies**

As at 30 June 2024, the Group employed a total of 10 employees (31 December 2023: 15) and two executive Directors. For the Period, the total staff costs amounted to approximately HK\$2.5 million (Prior Period: approximately HK\$3.1 million). The decline in staff cost was mainly due to the streamlining of responsibilities so fewer headcount was required. In addition, certain responsibilities, such as IT development, were outsourced in order to better control cost and performance. Remuneration (including employees benefit) are reviewed on a periodic basis. Employees salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

## **Other operating and administrative expenses**

For the Period, the Group's other operating and administrative expenses ("G&A expenses") amounted to approximately HK\$3.9 million, representing a slight increase of HK\$34,000, or approximately 0.9% compared to the Prior Period. Several key expenses items included in this category are discussed below:

**(i) IT and communications expenses (accounts for approximately 47.3% of G&A expenses)**

During the Period, IT and communication expenses of the Group were approximately HK\$1.9 million, which represents an increase of approximately 15.3% compared to approximately HK\$1.6 million recorded in the Prior Period. Such expenses mainly comprises of system development fee, system maintenance and licensing fees, IT personnel outsourcing fees and market data and licensing fees. The increase in IT and communications expenses is in line with the Group's strategy to reinvest the profit generated last year to upgrade and enhance our system to meet market requirements.

**(ii) Depreciation of right-of-use assets (accounts for approximately 22.4% of G&A expenses)**

Depreciation of right-of-use assets of the Group for the Period was HK\$0.9 million, which represents an increase of HK\$0.8 million, or approximately 1,866.5% from the Prior Period. The right-of-use assets represents the office rental contract. The increase was mainly due to the reversal of impairment loss of right-of-use assets during the year ended 31 December 2023 as the Group became profitable. Following the reversal, the right-of-use assets is amortised over the remaining term of the rental contract.

## **Income tax expense**

In the Period, the Group incurred approximately HK\$48,000 of tax expense, as compared to HK\$0.8 million tax credit for the Prior Period. The reduction in tax expense is mainly due to the loss making position of the Group this Period.

## **LIQUIDITY, FINANCIAL RESOURCES**

The Group's principal source of funds was cash generated from operations accumulated over the previous years, the IPO proceeds obtained in January 2018, and notes payables. The Group recorded net current liabilities of approximately HK\$6.3 million as at 30 June 2024, compared to net current assets of approximately HK\$25.0 million as at 31 December 2023. Such decrease was mainly due to the notes payable with principal amount of HK\$40.0 million due in January 2025 which became current as at 30 June 2024. The Group is discussing potential fund-raising options to repay the notes payable which is expected to materialize in September 2024.

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$12.5 million (31 December 2023: approximately HK\$12.4 million). The management will continue to follow a prudent treasury policy in managing its cash balance and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities of the business.

## **CAPITAL STRUCTURE**

The Group's operations were financed by shareholders' equity and the notes payables. The Group had notes payables of HK\$40.0 million as at 30 June 2024 (31 December 2023: HK\$40.0 million) which bore fixed interest rates and due in January 2025. For the licensed subsidiary, the Group ensures the subsidiary maintains liquidity adequate to support the level of activities with a sufficient buffer to accommodate potential increases in the level of business activities. During the Period, the licensed subsidiary has complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules ("FRR").

## **RISK MANAGEMENT**

### **Credit risk**

The Group's credit risk is primarily attributable to cash and cash equivalents and the accounts receivable due from clients, overseas brokers and clearing houses and the margin loans to clients and the loan and interest receivables. The management does not expect significant credit risk as most bank balances and deposits are placed with recognised banks and financial institutions in Hong Kong and the Group has comprehensive credit policy in place.

For the loan receivables, the Group has adopted a comprehensive credit policy which was set out in the section headed "Business Review – Money lending business" in this announcement.

### **Liquidity risk**

The Group is exposed to liquidity risk which arises from the timing difference between settlement with clearing houses, overseas brokers and clients and repayment of bank borrowing and notes payable. Finance team of the Group works closely with the settlement staffs to monitor the Group's liquidity position.

### **Foreign currency risk**

The Group's transactions in the Year were denominated in Hong Kong dollar and United States dollar. As the Hong Kong dollar is pegged to the United States dollar, no significant exposure to the currency risk is expected by the management. As the management expected the foreign currency risk is low, the Group currently does not have a foreign currency hedging policy.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any significant contingent liabilities.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the section headed “Management Discussion and Analysis” in this announcement, the Group did not have other future plans for material investments or capital assets.

## **CAPITAL COMMITMENTS**

As at 30 June 2024, the Group did not have any significant capital commitments contracted but not provided for in the financial statements.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET**

During the Period, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures. As at the date of this announcement, the Group does not have any plans for material investments or capital asset.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and practices as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company’s corporate governance practices.

During the Year and up to the date of this announcement, the Company has complied with the applicable code provisions as set out in the CG Code. All the Directors confirmed that they have fully complied with the required standard set out in the CG Code during the Year.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES**

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the Year.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Required Standard of Dealings as the code for securities transactions by the Directors on the guidelines as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the Period.

## **EVENTS AFTER THE REPORTING DATE**

There were no other significant events arising subsequent to the Period as at the date of this announcement.

## **DIVIDENDS**

The Board of the Company does not recommend the payment of an interim dividend for the Period (Prior Period: Nil).

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under Rule 11.23(7) of the GEM Listing Rules during the period ended 30 June 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Li Jun, Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret. Ms. Wu Hung Yu possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules, and she serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited interim results of the Company for the period ended 30 June 2024.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the Company's website (<https://www.wlis.com.hk>) and the website of the Stock Exchange (<http://www.hkexnews.hk>).

The interim report of the Company for the Period will also be available at the respective websites of the Company and the Stock Exchange and will be despatched to the Shareholders in due course.

By order of the Board  
**Well Link Securities Holdings Limited**  
**Xu Wenxia**  
*Chairman and Executive Director*

Hong Kong, 30 August 2024

*As at the date of this announcement, the Board of the Company comprises of Executive Directors Ms. Xu Wenxia and Mr. Kwan Kin Man Keith, and Independent Non-executive Directors Mr. Li Jun, Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret.*

*This announcement will remain on the "Latest Listed Company Announcements" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of 7 days from the date of its publication and on the website of the Company at <https://www.wlis.com.hk/>.*