



NOIZ GROUP LIMITED

聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 8163

BLOCKCHAIN SERVICES

FINANCIAL SERVICES

ENTERTAINMENT

CORPORATE CONSULTING

INSURANCE TECHNOLOGY

INTERIM REPORT **2024** 中期報告

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.

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This report, for which the directors (the "Director(s)") of NOIZ Group 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 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.

香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在主板上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照《聯交所GEM證券上市規則》（「GEM上市規則」）的規定而刊載，旨在提供有關聲揚集團有限公司（「本公司」）之資料；本公司各董事（「董事」）願就本報告的資料共同及個別地承擔全部責任。董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。



CONTENTS

2	CORPORATE INFORMATION
3	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
4	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
6	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
7	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
8	NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30	MANAGEMENT DISCUSSION AND ANALYSIS
39	CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Wong Hin Shek
(Chairman and Chief Executive Officer)

Independent Non-executive Directors

Ms. Ng Ka Sim, Casina
Mr. Wong Wing Kit
Ms. Yeung Mo Sheung, Ann

COMPANY SECRETARY

Mr. Au Kai Yin

AUDIT COMMITTEE

Ms. Ng Ka Sim, Casina
Mr. Wong Wing Kit
Ms. Yeung Mo Sheung, Ann

REMUNERATION COMMITTEE

Ms. Ng Ka Sim, Casina
Mr. Wong Wing Kit
Ms. Yeung Mo Sheung, Ann

NOMINATION COMMITTEE

Ms. Ng Ka Sim, Casina
Mr. Wong Wing Kit
Ms. Yeung Mo Sheung, Ann

AUTHORISED REPRESENTATIVE

Mr. Wong Hin Shek
Mr. Au Kai Yin

AUDITOR

Elite Partners CPA Limited

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
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Grand Cayman
KY1-1111
Cayman Islands

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111 Connaught Road Central
Central, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

8163

WEBSITE

www.noiz-group.com

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	2	8,105	5,031
Cost of sales		(4,455)	–
Gross profit		3,650	5,031
Other income and gains/(losses)	3	86	1,573
Operating and administrative expenses		(12,531)	(13,743)
Reversal of impairment loss on trade receivables		–	300
Reversal of impairment loss on loans receivable	16	91	123
Share of loss of associates		–	(292)
Finance costs	4	(6,843)	(6,409)
Loss before income tax	5	(15,547)	(13,417)
Income tax credit/(expense)	6	223	(313)
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(15,324)	(13,730)
Loss and total comprehensive income for the period attributable to:			
Owners of the Company		(15,324)	(13,730)
		HK\$ cent	HK\$ cent
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		(2.54)	(2.42)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	841	1,523
Goodwill	10	5,600	5,600
Intangible assets	11	13,984	14,761
Right-of-use assets	12	1,193	2,983
Interests in associates	13	–	–
Financial assets at fair value through other comprehensive income	14	1,473	1,473
Financial assets at fair value through profit or loss		263	263
Rental deposits		1,358	1,358
Total non-current assets		24,712	27,961
Current assets			
Inventories		418	418
Trade receivables	15	3,490	3,867
Contract assets		–	352
Prepayments, deposits and other receivables		12,075	1,293
Loans receivable	16	3,839	4,161
Financial assets at fair value through profit or loss		3,776	4,308
Tax recoverables		–	156
Bank balances – trust accounts	17	–	70
Bank balances and cash – general accounts	17	6,387	14,127
Total current assets		29,985	28,752
Current liabilities			
Trade payables	18	–	188
Contract liabilities		147	2,658
Other payables and accruals		16,502	7,355
Lease liabilities	19	1,010	2,995
Financial liabilities at fair value through profit or loss		2,549	–
Total current liabilities		20,208	13,196
Net current assets		9,777	15,556
Total assets less current liabilities		34,489	43,517

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Non-Current liabilities			
Deferred tax liabilities		382	390
Convertible bonds	20	84,235	77,931
Total non-current liabilities		84,617	78,321
Net liabilities		(50,128)	(34,804)
EQUITY			
Share capital	21	60,440	60,440
Reserves		(110,568)	(95,244)
Total deficiency		(50,128)	(34,804)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Share capital (Unaudited) HK\$'000	Share premium* (Unaudited) HK\$'000	Contributed surplus* (Unaudited) HK\$'000	Equity component of convertible bonds* (Unaudited) HK\$'000	Share option reserve* (Unaudited) HK\$'000	Capital reduction reserve* (Unaudited) HK\$'000	Fair value through other comprehensive income reserve* (Unaudited) HK\$'000	Other reserve* (Unaudited) HK\$'000	Accumulated losses* (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
As at 1 January 2023	56,673	1,124,344	68,873	9,998	461	163,191	(1,677)	(6,548)	(1,444,250)	(28,935)
Loss and total comprehensive income	-	-	-	-	-	-	-	-	(13,730)	(13,730)
Lapsed of share options	-	-	-	-	(38)	-	-	-	38	-
As at 30 June 2023	56,673	1,124,344	68,873	9,998	423	163,191	(1,677)	(6,548)	(1,457,942)	(42,665)
As at 1 January 2024	60,440	1,126,980	62,980	28,977	408	163,191	(527)	(6,548)	(1,470,705)	(34,804)
Loss and total comprehensive income	-	-	-	-	-	-	-	-	(15,324)	(15,324)
Lapsed of share options	-	-	-	-	(284)	-	-	-	284	-
As at 30 June 2024	60,440	1,126,980	62,980	28,977	124	163,191	(527)	(6,548)	(1,485,745)	(50,128)

* These reserve accounts comprised the reserve balance as presented in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	For the six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net cash used in operating activities		(16,747)	(9,335)
Net cash generated from investing activities		149	160
Net cash generated from/(used in) financing activities		8,858	(2,366)
Net decrease in cash and cash equivalents		(7,740)	(11,541)
Bank balances and cash – general accounts at the beginning of the period		14,127	23,031
Bank balances and cash – general accounts at the end of the period		6,387	11,490
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash – general accounts	17	6,387	11,490

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited condensed consolidated interim results also comply with the applicable disclosure provisions of the GEM Listing Rules.

The unaudited condensed consolidated interim results have been prepared under the historical cost convention except for certain financial instruments which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The unaudited condensed consolidated interim results should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023 of the Company and its subsidiaries (collectively, the “**Group**”) (the “**2023 Annual Report**”). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 2023 Annual Report.

The Group has adopted the standards, amendments and interpretations that have been issued and effective for the accounting period beginning on 1 January 2024. The adoption of such standards, amendments and interpretations does not have any material financial effect on this interim results.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT REPORTING

- 2.1** Revenue represents income from financial services operations, income from corporate consulting operations and income from digital operations during the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue from contracts with customers:		
Service income:		
Financial services business	3,528	2,097
Corporate consulting business	3,436	2,279
Digital business	618	409
	7,582	4,785
Revenue from other sources:		
Interest income from financial services business	259	246
Profit on investments in concerts from digital business, net	264	–
	8,105	5,031
Timing of revenue recognition:		
– At a point in time	–	154
– Over time	7,582	4,631
	7,582	4,785

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT REPORTING (Continued)

2.2 Segment reporting

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive director.

The Group currently has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

- (a) The financial services business includes provision of corporate finance advisory services, asset management and advising on securities business and money lending business;
- (b) The corporate consulting business segment is engaged in the provision of company secretarial services, accounting and financial reporting services and management consulting services; and
- (c) The digital business segment is engaged to leverage blockchain, artificial intelligence, and immersive interaction technologies to create value and protection to individuals, creators, artists, businesses and brand owners and offer various opportunities within the entertainment sector, including the organisation/production of and investment in concerts, events and festivals.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT REPORTING (Continued)

2.2 Segment reporting (Continued)

(b) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2024

	Financial services business (Unaudited) HK\$'000	Corporate consulting business (Unaudited) HK\$'000	Digital business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue	3,787	3,436	882	8,105
Segment profit/(loss)	1,375	2,874	(6,220)	(1,971)
Finance costs				(6,833)
Unallocated corporate expenses				(6,743)
Loss before income tax				(15,547)

For the six months ended 30 June 2023

	Financial services business (Unaudited) HK\$'000	Corporate consulting business (Unaudited) HK\$'000	Digital business (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue	2,343	2,279	409	5,031
Segment profit/(loss)	414	1,511	(2,333)	(408)
Finance costs				(6,379)
Unallocated corporate expenses				(6,630)
Loss before income tax				(13,417)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT REPORTING (Continued)

2.2 Segment reporting (Continued)

(c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Segment assets		
Financial services business	15,812	20,807
Corporate consulting business	6,592	6,728
Digital business	28,405	20,674
Total segment assets	50,809	48,209
Unallocated bank balances and cash	97	2,098
Unallocated corporate assets	3,791	6,406
Consolidated total assets	54,697	56,713
Segment liabilities		
Financial services business	1,148	3,901
Corporate consulting business	331	1,000
Digital business	4,594	2,107
Total segment liabilities	6,073	7,008
Convertible bonds	84,235	77,931
Unallocated corporate liabilities	14,517	6,578
Consolidated total liabilities	104,825	91,517

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

2. REVENUE AND SEGMENT REPORTING (Continued)

2.2 Segment reporting (Continued)

(d) Geographical information

For the six months ended 30 June 2024 and 2023, the Group's revenue from external customers is derived solely from its operations in Hong Kong (place of domicile), where all of the Group's non-current assets are located in Hong Kong. The geographical location of external customers is based on the location at which the goods are delivered and services rendered.

(e) Major customers

Revenues from customers contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Customer A		
– financial services business and corporate consulting business	2,150	N/A
Customer B		
– financial services business	2,000	N/A
Customer C		
– financial services business	N/A	520

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

3. OTHER INCOME AND GAINS/(LOSSES)

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest income on bank deposit	15	160
Other operating income	–	1,301
Change in fair value of financial assets at fair value through profit or loss	(70)	16
Sundry income	141	96
	86	1,573

4. FINANCE COSTS

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Imputed interest on convertible bonds ^(Note)	6,304	6,275
Interest on lease liabilities	44	134
Other borrowing costs	495	–
	6,843	6,409

Note: It represents the imputed interest on the liability component of the convertible bonds for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Depreciation expenses in respect of:		
Right-of-use assets	1,790	1,789
Property, plant and equipment	722	582
Amortisation of intangible assets	777	853
Staff costs (including Directors' emoluments)	5,601	6,996

6. INCOME TAX (CREDIT)/EXPENSE

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities in Hong Kong that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Hong Kong profits tax:		
– current	–	333
– over-provision in prior year	(215)	–
Deferred tax	(8)	(20)
	(223)	313

7. DIVIDEND

No interim dividend has been paid or declared by the Company during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Loss attributable to owners of the Company for the purpose of calculating basis and diluted loss per share	(15,324)	(13,730)

	Number of shares Six months ended 30 June	
	2024 (Unaudited) '000	2023 (Unaudited) '000
Shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	604,396	566,729

The calculation of basic and diluted loss per share for the six months ended 30 June 2024 is based on the loss attributable to ordinary equity shareholders of the Company, and the weighted average number of approximately 604,396,000 (six months ended 30 June 2023: approximately 566,729,000) ordinary shares in issue.

Diluted loss per share amount for both periods were not presented because the impact of the exercise of the share options and conversion of convertible bonds was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group had addition of motor vehicles of approximately HK\$40,000 and no disposal of property, plant and equipment (year ended 31 December 2023: additions of computer and office equipment of approximately HK\$861,000 and no disposal).

10. GOODWILL

	HK\$'000
COST:	
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	11,403
ACCUMULATED IMPAIRMENT LOSSES:	
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	5,803
NET CARRYING AMOUNT:	
At 30 June 2024 (unaudited)	5,600
At 31 December 2023 (audited)	5,600

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

11. INTANGIBLE ASSETS

	Trading right <i>(Note (a))</i>	Customer relationship <i>(Note (b))</i>	Blockchain technology <i>(Note (c))</i>	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST:				
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	5,705	1,140	14,040	20,885
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES:				
At 1 January 2023 (audited)	2,805	874	739	4,418
Amortisation for the year	–	228	1,478	1,706
At 31 December 2023 (audited) and 1 January 2024 (audited)	2,805	1,102	2,217	6,124
Amortisation for the period	–	38	739	777
At 30 June 2024 (unaudited)	2,805	1,140	2,956	6,901
NET CARRYING AMOUNT:				
At 30 June 2024 (unaudited)	2,900	–	11,084	13,984
At 31 December 2023 (audited)	2,900	38	11,823	14,761

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

11. INTANGIBLE ASSETS (Continued)

Notes:

- (a) The Group holds two trading rights of the business carrying on the regulated activities of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”). Trading right have indefinite useful life and therefore no amortisation has been provided. On 31 July 2023, the Group was applied to the Securities and Futures Commission for cessation of Type 1 business and the trading right of HK\$1,600,000 was fully impaired in the previous year. The Type 1 licence was revoked by the Securities and Futures Commission of Hong Kong on 19 July 2024.
- (b) Customer relationship of approximately HK\$1,140,000 represented the intangible asset arose from the acquisition of corporate consulting business and was valued as of the respective date of acquisition by an independent qualified valuer on the basis of the excess earnings method under the income approach. The management of the Group considered customer relationship has finite useful lives of 5 years and is amortised on a straight-line basis.
- (c) Blockchain technology of approximately HK\$14,040,000 represented the intangible assets arose from the acquisition of digital business and was valued as of the respective date of acquisition by an independent qualified valuer under income approach.

As at 30 June 2024, blockchain technology with the net carrying amount of approximately HK\$11,084,000 (31 December 2023: approximately HK\$11,823,000) is attributable to the cash-generating unit of digital business with which the goodwill amount is recognised. The management of the Group considered blockchain technology has finite useful lives and is amortised on a straight-line basis over 9.5 years.

No impairment loss was recognised during the six months ended 30 June 2024 and year ended 31 December 2023.

There was no addition of intangible assets for the six months ended 30 June 2024 and year ended 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

12. RIGHT-OF-USE ASSETS

	HK\$'000
COST:	
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	10,498
ACCUMULATED DEPRECIATION:	
At 1 January 2023 (audited)	3,936
Depreciation for the year	3,579
At 31 December 2023 (audited) and 1 January 2024 (audited)	7,515
Depreciation for the period	1,790
At 30 June 2024 (unaudited)	9,305
NET CARRYING AMOUNT:	
At 30 June 2024 (unaudited)	1,193
At 31 December 2023 (audited)	2,983

The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation, and adjusted for any remeasurement of the lease liabilities.

13. INTERESTS IN ASSOCIATES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At beginning of the period/year	–	522
Dividend income from an associate	–	(60)
Share of loss for the period/year	–	(462)
At end of the period/year	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

On 22 February 2022, the Group acquired 43.75% of the issued share capital of a private company, with the aim of involving in the investment in special purpose acquisition company ("SPAC") projects with 2.88% effective equity interest, at a consideration of US\$350,000 (equivalent to approximately HK\$2,730,000). The investment was recognised as financial asset at fair value through other comprehensive income. On 6 October 2023, the SPAC projects is terminated and the Group is entitled to a refund of USD242,900 (equivalent to approximately HK\$1,895,000), which represents 69.4% of the original USD350,000 (equivalent to approximately HK\$2,730,000) subscription funds. The increase in fair value of this financial asset of approximately HK\$630,000 has been dealt with in other comprehensive income and fair value through other comprehensive income ("FVOCI") reserve for the year ended 31 December 2023.

On 16 August 2019, the Group acquired 10% of the issued share capital of a private company as financial assets at fair value through other comprehensive income at cash consideration of HK\$2,000,000. As at 30 June 2024, the Group's shareholding in this private company was approximately 9.55% (31 December 2023: 9.55%). The carrying amount of financial asset at fair value through other comprehensive income is approximately HK\$1,473,000 (31 December 2023: approximately HK\$1,473,000). No change in fair value has been dealt with in other comprehensive income and FVOCI reserve for the six months ended 30 June 2024 (year ended 31 December 2023: decrease in fair value of approximately HK\$315,000).

15. TRADE RECEIVABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade receivables	4,592	4,969
Less: Provision for impairment losses	(1,102)	(1,102)
	3,490	3,867

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

15. TRADE RECEIVABLES (Continued)

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

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 30 days	162	2,464
31 to 60 days	1,273	1,163
61 to 120 days	135	88
Over 120 days	1,920	152
	3,490	3,867

As at 31 December 2023, the balance of approximately HK\$118,000 represented the trade receivables arising from securities brokerage services.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Not impaired	3,490	3,867

Receivables that were not impaired relate to customers for whom there were no recent history of default. The Group does not hold any collateral over these balances.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

16. LOANS RECEIVABLE

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Gross loan and interest receivables	4,859	5,272
Less: Provision for impairment loss	(1,020)	(1,111)
	3,839	4,161

As at 30 June 2024, loans receivable with gross principal amount of approximately HK\$4,710,000 (31 December 2023: HK\$5,170,000) in aggregate and related gross interest receivables of approximately HK\$149,000 (31 December 2023: approximately HK\$102,000) were due from three (31 December 2023: four) independent third parties. These loans are interest-bearing at rates ranging from 8% to 12% (31 December 2023: 8% to 15%) per annum and was repayable within twelve months from the end of the reporting period and therefore were classified as current assets as at 30 June 2024 and 31 December 2023.

As at 30 June 2024 and 31 December 2023, the Group hold no collateral over loans receivable. Reversal of impairment loss of approximately HK\$91,000 (year ended 31 December 2023: impairment loss of approximately HK\$25,000) has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2024.

The movements in the expected credit loss for loans receivable for the six months ended 30 June 2024 and year ended 31 December 2023 are as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At beginning of the period/year	1,111	1,086
(Reversal of impairment loss)/impairment loss for the period/year	(91)	25
At end of the period/year	1,020	1,111

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

16. LOANS RECEIVABLE (Continued)

Reconciliation of gross carrying amount for loans receivable for the six months ended 30 June 2024 and year ended 31 December 2023 are as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	–	4,789	4,789
New loans originated	2,121	603	2,724
Repayment	(101)	(2,140)	(2,241)
At 31 December 2023 (audited) and 1 January 2024 (audited)	2,020	3,252	5,272
New loans originated	108	150	258
Repayment	(402)	(269)	(671)
At 30 June 2024 (unaudited)	1,726	3,133	4,859

The movements in the expected credit loss in respect of loans receivable for the six months ended 30 June 2024 and year ended 31 December 2023 are as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	–	1,086	1,086
Impairment loss for the year	421	(396)	25
At 31 December 2023 (audited) and 1 January 2024 (audited)	421	690	1,111
Reversal of impairment loss for the period	(39)	(52)	(91)
At 30 June 2024 (unaudited)	382	638	1,020

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

16. LOANS RECEIVABLE (Continued)

An ageing analysis of the loans receivable, net of impairment losses as at the end of the reporting period, based on the remaining contractual maturity date is set out below:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Overdue	732	688
Due within 3 months	881	880
Due after 3 months but within 6 months	2,226	2,593
	3,839	4,161

17. BANK BALANCES AND CASH

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Bank balances – trust accounts (<i>Note</i>)	–	70
Bank balances and cash – general accounts	6,387	14,127
	6,387	14,197

Note: As at 31 December 2023, the Group receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients money are maintained in one trust bank account and bear interest at commercial rates. The Group has recognised the corresponding trade payables to respective clients.

As at 30 June 2024, the Group's bank balances and cash – general accounts amounted to approximately HK\$6,387,000 (31 December 2023: approximately HK\$14,127,000), approximately HK\$6,322,000 was denominated in Hong Kong dollars, HK\$65,000 was denominated in United States dollars and Nil was denominated in Renminbi (31 December 2023: approximately HK\$14,047,000, Nil and HK\$80,000 respectively).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

18. TRADE PAYABLES

An aged analysis of trade payables as at the end of reporting date based on the invoice date/contractual term, are as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 30 days	–	188

As at 31 December 2023, the balance of approximately HK\$188,000 represented the trade payables arising from securities brokerage services.

19. LEASE LIABILITIES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Minimum lease payments due		
– Within one year	1,014	3,043
– In second to fifth years, inclusive	–	–
	1,014	3,043
Less: Future finance charges	(4)	(48)
Present value of lease liabilities	1,010	2,995
	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within one year	1,010	2,995
In second to fifth years, inclusive	–	–
	1,010	2,995

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

20. CONVERTIBLE BONDS

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
2022 CBs (as defined below) ^(Note 1)	75,895	70,214
2023 CB (as defined below) ^(Note 2)	8,340	7,717
	84,235	77,931

The movement of the liability component of the convertible bonds was as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At beginning of the period/year	77,931	85,110
Interest charged	6,304	12,310
Issuance of convertible bonds	–	7,326
Modification of the terms of convertible bonds	–	(12,747)
Derecognition by subscription of shares	–	(4,068)
Derecognition by subscription of 2023 CB	–	(10,000)
At the end of the period/year	84,235	77,931

Notes:

- On 14 November 2022, the Company entered into the subscription agreement with Team Sunny International Holdings Limited (“**Team Sunny**”), pursuant to which Team Sunny conditionally agreed to subscribe and the Company conditionally agreed to issue the convertible bonds (the “**2022 CBs**”) in the principal amount of HK\$91,000,000 for the settlement of the outstanding debts due from the Company to Team Sunny in aggregate of HK\$91,000,000.

On 14 July 2023, the Company and the bondholder of 2022 CBs entered into the deed of amendment, the maturity date of the 2022 CBs was extended to 31 August 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

20. CONVERTIBLE BONDS (Continued)

Notes: (Continued)

- On 14 July 2023, the Company entered into the subscription agreement with Team Sunny, pursuant to which Team Sunny conditionally agreed to subscribe and the Company conditionally agreed to issue the convertible bond (the "2023 CB") in the principal amount of HK\$10,000,000 (which are convertible into conversion shares at the conversion price of HK\$0.108 per conversion share (subject to adjustments)) for the settlement of the outstanding debts due from the Company to the holders of the convertible bonds as part of the consideration for the acquisition of forest concessions in Papua, Indonesia issued by the Company on 12 August 2008 (the "2008 CBs") in aggregate of HK\$10,000,000. The subscription amount payable by Team Sunny under the subscription agreement shall be satisfied by way of offsetting the aggregate principal amount of HK\$10,000,000 under the 2008 CBs and payable by the Company to the holders of 2008 CBs.

On 31 August 2023, the subscription took place and the 2023 CB in the principal amount of HK\$10,000,000 were issued to Team Sunny.

21. SHARE CAPITAL

	Notes	Number of shares in '000	Nominal values HK\$'000
Authorised:			
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)			
Ordinary shares of HK\$0.1 each		2,000,000	200,000
Issued and fully paid:			
At 1 January 2023 (audited)			
Ordinary shares of HK\$0.1 each		566,729	56,673
Issuance of shares upon subscription	1	37,667	3,767
At 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)			
Ordinary shares of HK\$0.1 each		604,396	60,440

Notes:

- On 31 August 2023, the Company completed a share subscription with Team Sunny, the subscriber, by allotment and issue of 37,666,666 Shares at the subscription price of HK\$0.108 per subscription share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2024

22. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the unaudited condensed consolidated financial statements, the Group has the following related party transactions.

Name of related party	Relationship	Nature of transaction	Six months ended 30 June	
			2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Mr. Wong Hin Shek	Director	Commission income from dealing in securities	-	7
		Loan interest charged	(495)	-
			(495)	7
Related companies	Common director	Corporate consulting service income	263	272

Total compensation paid to key management personnel during the six months ended 30 June 2024 amounted to HK\$1,089,000 (six months ended 30 June 2023: HK\$1,570,000).

23. EVENTS AFTER THE REPORTING PERIOD

On 22 July 2024, Benefit Palace Limited (the “**Purchaser**”), a direct wholly-owned subsidiary, and the six vendors (the “**Vendors**”) have agreed and have entered into a put option deed, each of the Vendors had irrevocably and unconditionally further granted to the Purchaser a put option in relation to acquisition of NOIZChain Limited (“**NOIZChain**”) from the date of the Put Option Deed up to the later of (i) 31 December 2024; or (ii) if extended by the Purchaser at its sole and absolute discretion, 30 June 2025, pursuant to which the Purchaser shall be entitled to require the Vendors to buy back all the entire issued share capital of NOIZChain (but not part thereof) in their respective apportionments held by the Purchaser (the “**Repurchase**”). The consideration for the Repurchase will be the same as the consideration of acquisition of NOIZChain.

Details were set out in the Company’s announcements dated 13 June 2022, 4 July 2022 and 22 July 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND BUSINESS REVIEW

During the six months ended 30 June 2024, the Group is principally engaged in (i) financial services business including provision of corporate finance advisory services, asset management and advising on securities business and money lending services; (ii) corporate consulting business including company secretarial services, accounting and financial reporting services and management consulting services; and (iii) digital business that leverages blockchain, artificial intelligence, and immersive interaction technologies to create value and protection to individuals, creators, artists, businesses and brand owners, and offer various opportunities within the entertainment sector, including the organisation/production of and investment in concerts, events and festivals.

For the six months ended 30 June 2024, the Group recorded revenue of approximately HK\$8.1 million (six months ended 30 June 2023: approximately HK\$5.0 million). Loss for the period attributable to owners of the Company was approximately HK\$15.3 million (six months ended 30 June 2023: approximately HK\$13.7 million). Basic and diluted loss per share was approximately HK\$2.54 cents (six months ended 30 June 2023: approximately HK\$2.42 cents).

Financial services business

The revenue for the six months ended 30 June 2024 of the financial services business was approximately HK\$3.8 million (six months ended 30 June 2023: approximately HK\$2.3 million) and a segment profit of approximately HK\$1.4 million (six months ended 30 June 2023: approximately HK\$0.4 million).

The Group's money lending business was conducted through its wholly-owned subsidiary, Merdeka Credit Limited, to grant loans to individuals and corporate entities. The Group strived to adhere to a set of comprehensive policy and procedural manual in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL AND BUSINESS REVIEW (Continued)

Financial services business (Continued)

As at 30 June 2024, the Group had loans receivable with gross principal amount of approximately HK\$4.7 million (31 December 2023: approximately HK\$5.2 million). The Group recorded interest income from loans receivable of approximately HK\$0.3 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$0.2 million).

The gross individual loans receivable was accounted for approximately 64.5% of the entire gross loans receivable of the Group as at 30 June 2024 (2023: 61.7%). The interest rates of the individual loans ranged from 8% to 12% (2023: 8% to 15%). The gross corporate loans receivable was accounted for approximately 35.5% of the entire gross loans receivable of the Group as at 30 June 2024 (2023: 38.3%). The interest rate of the corporate loans at 12% (2023: 12%). The determination of these interest rates primarily involved credit analysis, considering factors such as the size and duration of the loans, adherence to the Group's credit policies and the ability of borrowers to provide income proof or other sources of income that demonstrate their repayment capabilities.

As at 30 June 2024, there were 3 borrowers comprising 2 individual borrowers and 1 corporate borrower (2023: 4 borrowers comprising 3 individual borrowers and 1 corporate borrower) for the outstanding loans and interest receivables (net of loss allowance). Loans and interest receivables carrying amount of approximately HK\$2.5 million (2023: HK\$2.6 million) were due from individual borrowers while remaining loans and interest receivables of carrying amount of approximately HK\$1.3 million (2023: HK\$1.6 million) were due from corporate borrower.

As at 30 June 2024, 4 loans were outstanding, with terms ranging from 15 months to 36 months, interest rate ranging from 8% to 12% per annum and with no collaterals. As at 30 June 2024, the aggregated principal amount outstanding from the three largest borrowers of the Group together amounted to approximately HK\$4.7 million (representing 100.0% to the total loans receivable of the Group) while the principal amount outstanding from the largest borrower amounted to approximately HK\$2.0 million (representing approximately 42.6% to the total loans receivable of the Group).

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) global searching on their identity and background; (b) reviewing and assessing their financial information; and (c) performing an assessment on their creditability.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL AND BUSINESS REVIEW (Continued)

Financial services business (Continued)

The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or a corporate entity, 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.

In order to monitor the risks associated with loans receivable, subsequent repayment record of each loan receivable will be closely monitored and periodic reviews on loan portfolio will be conducted by the Group. In the event of failure to repay interest or principal amount by the due date, the Group will issue overdue payment reminders to the relevant borrower, instruct its legal advisers to issue demand letters for loans overdue for a longer period of time, negotiate with the borrower for the repayment or settlement of the loan and/or commences legal actions against the borrower.

Details of loans receivable are set out in note 16 to the condensed consolidated financial statements.

Corporate consulting business

The performance of corporate consulting business remained stable that it recorded a revenue of approximately HK\$3.4 million (six months ended 30 June 2023: approximately HK\$2.3 million) and recorded a segment profit of approximately HK\$2.9 million (six months ended 30 June 2023: approximately HK\$1.5 million) during the six months ended 30 June 2024.

Digital business

The digital business recorded a revenue of approximately HK\$0.9 million (six months ended 30 June 2023: approximately HK\$0.4 million) and a segment loss of approximately HK\$6.2 million (2023: approximately HK\$2.3 million) during the six months ended 30 June 2024. Some of the projects of digital business have experienced delays due to the decline in market sentiment.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL AND BUSINESS REVIEW (Continued)

Financial assets at fair value through profit or loss

As at 30 June 2024, the Group managed two listed securities investments with fair value of approximately HK\$0.3 million (31 December 2023: approximately HK\$0.4 million). In view of the fluctuations in the global and local financial markets, the board of Directors (the "Board") is always cautious of the prospects of the trading performance of the Group's portfolio of listed securities investments.

Details of the listed securities investments as at 30 June 2024 and 31 December 2023 and gains/(losses) for the six months ended 30 June 2024 and 2023 are as below:

Gains/(losses) for the six months ended 30 June 2024

Name of listed securities	Stock code	Realised gains	Unrealised (losses)/ gains	Dividend received
		HK\$'000	HK\$'000	HK\$'000
ICO Group Limited	1460	–	(94)	–
Evergrande Property Services Group Limited	6666	–	24	–

Financial assets at fair value through profit or loss as at 30 June 2024

Name of listed securities	Stock code	Brief description of the business	Number of shares held	Proportion of shares held	Investment cost	Market value	Approximate Percentage to total assets value of the Group
					HK\$'000	HK\$'000	
ICO Group Limited	1460	Integrated IT service business	1,600,000	0.18%	312	258	0.5%
Evergrande Property Services Group Limited	6666	Integrated commercial properties service business	113,000	0.001%	995	79	0.1%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL AND BUSINESS REVIEW (Continued)

Losses for the six months ended 30 June 2023

Name of listed securities	Stock code	Realised gains HK\$'000	Unrealised gains HK\$'000	Dividend received HK\$'000
ICO Group Limited	1460	–	16	–

Financial assets at fair value through profit or loss as at 31 December 2023

Name of listed securities	Stock code	Brief description of the business	Number of shares held	Proportion of shares held	Investment cost HK\$'000	Market value HK\$'000	Approximate Percentage to total assets value of the Group
ICO Group Limited	1460	Integrated IT service business	1,600,000	0.18%	312	352	0.6%
Evergrande Property Services Group Limited	6666	Integrated commercial properties service business	113,000	0.001%	995	55	0.1%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OUTLOOK

The Group has been seeking suitable investment and business opportunities in light of the market conditions to create value for its shareholders in a long term and sustainable manner.

Digital business

With the rise of blockchain technology and the rapid development of the Web3 era, the Group sees the potential in commercializing and monetizing IP assets using blockchain technology. In July 2022, the Group took over NOIZChain, which owns the NOIZ Green Chain, and utilised it to create a digital wallet (the “**Digital Wallet**”) and a metaverse. This strategic move positions the Group to leverage blockchain capabilities for IP asset management.

By identifying extensive opportunities within the entertainment and education sectors so as to harness the capabilities of blockchain technology, the Group initially invested as a co-organiser in live concerts/events in Hong Kong, Macau and Taiwan. This strategic move allowed the Group to establish connections with industry players, gain insights into the entertainment industry climate and culture and ultimately acquire valuable IP assets. Building on this experience, the Group aims to transition into the role of the main organizer for live concerts/events, enabling the Group to manage and control associated IP assets while showcasing a digitally driven entertainment business. Furthermore, the Group partnered with Proto Inc. for the distribution of holographic products, such as “EPIC” (a life-size and life-like holographic product) and “M Unit” (a portable display holographic product) in Vietnam. The holographic products will be utilized for showcasing three-dimensional educational curriculum and programs, with content rights securely stored on the NOIZ Green Chain for licensing and tracking purposes.

Financial services business

Given the challenging conditions in the Hong Kong financial markets and the competitive landscape in corporate financial advisory services, the Group is strategically considering diversifying into other regional capitals like the United States to broaden its customer reach and potentially boost revenue streams. To actively pursue revenue growth, the Group is also exploring various avenues to enhance the performance of its financial services segment. These initiatives involve actively seeking out new opportunities to increase revenue streams, including negotiating for asset management prospects under the Capital Investment Entrant Scheme (CIES) and working towards expanding its license to include investments in virtual assets.

Corporate consulting business

With the global emphasis on corporate governance, the Group foresees a continued need for professional services from Hong Kong listed companies concerning corporate governance issues and adherence to the pertinent local regulations governing listed entities in Hong Kong, along with other relevant legal and regulatory obligations.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

CONVERTIBLE BONDS

2022 Convertible Bonds

On 14 November 2022, the Company entered into the subscription agreement with Team Sunny, pursuant to which Team Sunny conditionally agreed to subscribe and the Company conditionally agreed to issue the 2022 CBs in the principal amount of HK\$91,000,000 for the settlement of the outstanding debts due from the Company to Team Sunny in aggregate of HK\$91,000,000. The subscription amount payable by Team Sunny under the subscription agreement shall be satisfied by way of offsetting (i) the principal amount of HK\$55,000,000 under the 2008 CBs and payable by the Company to Team Sunny; and (ii) the outstanding principal amount of HK\$36,000,000 under Team Sunny CB and payable by the Company to Team Sunny.

The conversion price per conversion share for HK\$55,000,000 of the principal amount of the 2022 CBs for the period from the date of issue of the 2022 CBs up to and including 12 August 2023 shall be HK\$0.90 per conversion share and for the period from 13 August 2023 up to and including the maturity date shall be HK\$0.186 per conversion share; and the conversion price per conversion share for HK\$36,000,000 of the principal amount of the 2022 CBs for the period from the date of issue of the 2022 CBs up to and including 21 May 2023 shall be HK\$0.903 per conversion share and for the period from 22 May 2023 up to and including the maturity date shall be HK\$0.186 per conversion share.

On 28 December 2022, the subscription took place and the 2022 CBs in the principal amount of HK\$91,000,000 were issued to Team Sunny.

On 14 July 2023, the Company and the bondholder of 2022 CBs entered into the deed of amendment, the maturity date of the 2022 CBs was extended to 31 August 2025.

As at 30 June 2024, the Company had 2022 CBs with principal amount of HK\$91,000,000, which conferring rights to convert into 489,247,311 Shares with the conversion price of HK\$0.186 per conversion share.

2023 Convertible Bonds

On 14 July 2023, the Company entered into the subscription agreement with Team Sunny, pursuant to which Team Sunny conditionally agreed to subscribe and the Company conditionally agreed to issue the 2023 CB in the principal amount of HK\$10,000,000 (which are convertible into conversion shares at the conversion price of HK\$0.108 per conversion share (subject to adjustments)) for the settlement of the outstanding debts due from the Company to the holders of 2008 CBs in aggregate of HK\$10,000,000. The subscription amount payable by Team Sunny under the subscription agreement shall be satisfied by way of offsetting the aggregate principal amount of HK\$10,000,000 under the 2008 CBs and payable by the Company to the holders of 2008 CBs.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

CONVERTIBLE BONDS (Continued)

2023 Convertible Bonds (Continued)

On 31 August 2023, the subscription took place and the 2023 CB in the principal amount of HK\$10,000,000 were issued to Team Sunny.

As at 30 June 2024, the Company had 2023 CB conferring rights to convert into 92,592,592 Shares with the conversion price of HK\$0.108 per conversion share.

DIVIDENDS

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

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 30 June 2024, the Group recorded cash and bank balances (included trust accounts) amounting to approximately HK\$6.4 million (31 December 2023: approximately HK\$14.2 million) and the net current assets value was approximately HK\$9.8 million (31 December 2023: approximately HK\$15.6 million).

The Group's gearing ratio as at 30 June 2024 was approximately 1.54 (31 December 2023: approximately 1.37), being a ratio of total interest-bearing debts, included convertible bonds of approximately HK\$84.2 million (31 December 2023: approximately HK\$77.9 million) to the total assets of approximately HK\$54.7 million (31 December 2023: approximately HK\$56.7 million).

USE OF PROCEEDS FROM SHARE SUBSCRIPTION

The Company completed a share subscription on 31 August 2023, pursuant to which the Company has issued and allotted 37,666,666 Shares at a subscription price of HK\$0.108 per subscription share. The share subscription amount payable by the subscriber of HK\$4.1 million under the share subscription agreement has been satisfied by way of setting off against part of the principal amount of the 2008 CBs.

As at 30 June 2024, the intended and actual use of the net proceeds from the share subscription is stated as below:

Amount HK\$ million	Intended use	Actual use
4.1	Setting off against part of the principal amount of 2008 CBs	Fully utilised as intended

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PLEDGE OF ASSETS

As at 30 June 2024, the Group had no pledged assets (31 December 2023: Nil).

CAPITAL STRUCTURE

The Company had no changes in capital structure during the six months ended 30 June 2024.

INVESTMENT POSITION AND PLANNING

Throughout the period ending on 30 June 2024, the Group participated as a co-organiser in live concerts and events held in Hong Kong, Macau, and Taiwan. This involvement facilitated the Group in forging relationships with key industry stakeholders, obtaining a deeper understanding of the entertainment industry's dynamics and ethos, and ultimately acquiring valuable intellectual property assets. Additionally, the Group utilised blockchain capabilities for the management of these IP assets. Moving forward, the Group plans to persist in identifying promising investment prospects to enrich its business portfolio.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no significant contingent liabilities (31 December 2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed 16 staff (31 December 2023: 18). The Group's remuneration policy is based on principle of equality, motivating performance-oriented and market-competitiveness. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits included provident fund contributions, medical insurance coverage and performance related bonuses. A share option scheme is also established to reward and motivate the employees of the Group.

CONNECTED TRANSACTIONS

Saved as disclosed, the Company did not have any other connected transactions which were subject to the reporting requirements under Chapter 20 of the GEM Listing Rules for six months ended 30 June 2024.

EVENTS AFTER THE REPORTING PERIOD

On 22 July 2024, the Purchaser and the Vendors have agreed and have entered into a put option deed, each of the Vendors had irrevocably and unconditionally further granted to the Purchaser a put option in relation to acquisition of NOIZChain from the date of the Put Option Deed up to the later of (i) 31 December 2024; or (ii) if extended by the Purchaser at its sole and absolute discretion, 30 June 2025, pursuant to which the Purchaser shall be entitled to require the Repurchase. The consideration for the Repurchase will be the same as the consideration of acquisition of NOIZChain.

Details were set out in the Company's announcements dated 13 June 2022, 4 July 2022 and 22 July 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”) approved and adopted by the shareholders of the Company (the “**Shareholder(s)**”) at an extraordinary general meeting held on 30 December 2020. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

During the six months ended 30 June 2024, a total of 4,349,836 Share Options were lapsed. Save and except for the aforesaid, no Share Option was granted, exercised, cancelled, expired or lapsed during the period. The number of share options available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 48,506,228 shares, representing approximately 8.03% of the total number of issued shares as at 30 June 2024. No service provider sub-limit was set under the Share Option Scheme.

The number of shares of the Company that may be issued in respect of options and awards granted under the Share Option Scheme during the six months ended 30 June 2024 (i.e. 1,816,214 Shares) divided by the weighted average number of shares of the Company (i.e. approximately 604,396,000 Shares) for the six months ended 30 June 2024, was approximately 0.3%.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SHARE OPTION SCHEME

Details of the movements of the Share Options under the Share Option Scheme during the period were as follows:

Grantees/Capacity	Number of Share Options				Outstanding as at 30 June 2024	Date of grant	Exercise period	Price of the shares before the date of grant ^(Note 2) Per share	Exercise price ^(Note 2) Per share
	Outstanding as at 1 January 2024	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period					
Independent non-executive Directors									
Ms. Ng Ka Sim, Casina	113,513	-	-	-	113,513	20/1/2021	20/1/2021-19/1/2026	0.014	0.132
Mr. Wong Wing Kit	113,513	-	-	-	113,513	20/1/2021	20/1/2021-19/1/2026	0.014	0.132
Ms. Yeung Mo Sheung, Ann	113,513	-	-	-	113,513	20/1/2021	20/1/2021-19/1/2026	0.014	0.132
Employees and other eligible participants									
Employees of the Group	1,816,215	-	-	(340,540)	1,475,675	20/1/2021	20/1/2021-19/1/2026	0.014	0.132
Other eligible participants ^(Note 3)	4,009,296	-	-	(4,009,296) ^(Note 4)	-	20/1/2021	20/1/2021-19/1/2024	0.014	0.132
	<u>6,166,050</u>	<u>-</u>	<u>-</u>	<u>(4,349,836)</u>	<u>1,816,214</u>				

Notes:

- The exercise price of the Share Options is subject to adjustment in the case of capitalisation issue, rights issue, subdivision or consolidation of the shares of the Company, or other similar changes in the Company's share capital.
- The price of the shares of the Company before the date of the grant of the Share Options is the closing price of the shares of the Company as quoted on the Stock Exchange on the trading day immediately before the date on which the Share Options were granted.
- The consultants possess extensive experience in, including but not limited to, private and public equity investments, crypto and blockchain technology development and accounting and financial management respectively. The grant of Share Options to the consultants is to provide them an incentive to (i) optimize their performance for the benefit of the Group; (ii) share of their respective relevant experience, knowledge and network to improve of the business operating system of the Group; and (iii) introduce or refer viable business opportunities to the Group, in order to achieve a long term growth for the Group.
- All Share Options granted by the Company to the consultants has been lapsed on 19 January 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the Shares and underlying Shares of the Company

Name of Director	Nature of interest/ Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares and underlying Shares held	Approximate percentage of the total issued share capital of the Company ^(Note 3) (%)
Mr. Wong Hin Shek ^(Note 1)	Controlled corporation	174,421,666	581,839,903 ^(Note 2)	756,261,569	125.13
Ms. Ng Ka Sim, Casina	Beneficial owner	–	113,513	113,513	0.02
Mr. Wong Wing Kit	Beneficial owner	–	113,513	113,513	0.02
Ms. Yeung Mo Sheung, Ann	Beneficial owner	–	113,513	113,513	0.02

Notes:

1. The interest is held by Team Sunny, a company incorporated in the British Virgin Islands owned as to 100% by Mr. Wong Hin Shek. Mr. Wong is also the sole director of Team Sunny.
2. The underlying shares are convertible shares to be issued and allotted upon conversion of the 2022 CBs and 2023 CB with an aggregated principal amount of HK\$91,000,000 and HK\$10,000,000 accordingly, which are held by Team Sunny.
3. The percentage has been calculated based on 604,395,612 Shares in issue as at 30 June 2024.

Save as disclosed above and so far as is known to the Directors, at 30 June 2024, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in rules 5.46 to 5.67 of the GEM Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests in Securities of the Company" and "Share Option Scheme" above, at no time during the six months ended 30 June 2024 was the Company or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2024, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Shares and underlying Shares of the Company:

Name of Shareholder	Nature of interest/ Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares and underlying Shares held	Approximate percentage of the total issued share capital of the Company ^(Note 3) (%)
Team Sunny ^(Note 1)	Beneficial owner	174,421,666	581,839,903 ^(Note 2)	756,261,569	125.13

Notes:

1. The interest is held by Team Sunny, a company incorporated in the British Virgin Islands owned as to 100% by Mr. Wong Hin Shek. Mr. Wong is also the sole director of Team Sunny.
2. The underlying shares are convertible shares to be issued and allotted upon conversion of the 2022 CBs and 2023 CB with an aggregated principal amount of HK\$91,000,000 and HK\$10,000,000 accordingly, which are held by Team Sunny.
3. The percentage has been calculated based on 604,395,612 Shares in issue as at 30 June 2024.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2024, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2024, no Directors or their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

REQUIRED STANDARD OF DEALINGS

The Company has not adopted a code of conduct nor established written guidelines regarding the securities transactions by the Directors and relevant employees of the Company but has applied the principles of the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”).

All Directors have confirmed, following the specific enquiry by the Company, that they have complied with the Required Standard of Dealings throughout the period and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period for the six months ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2024, to the best knowledge of the Board, the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code in Appendix C1 of the GEM Listing Rules (the “**CG Code**”) except for the deviation as mentioned below.

Code Provision C.2.1

Pursuant to the code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong Hin Shek currently assumes the roles of both the Chairman and the Chief Executive Officer. This is at variance with code provision C.2.1 of the CG Code, which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Board considered that the powers and authorities have not been concentrated due to no separation of the positions of the Chairman and the Chief Executive Officer as all major decisions of the Company have been made in consultation with the Board and appropriate Board committees, as well as senior management. In addition, there are three independent non-executive Directors offering their experience, expertise, independent advice and views from different perspectives. Therefore, the Board is of the view that there are adequate balance of power and safeguards in place. The Board will regularly review the effectiveness of the structure of the Board to ensure that it is appropriate to the Group's circumstances.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

AUDIT COMMITTEE

The Company has established the audit committee of the Company (the “**Audit Committee**”) with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The main duties of the Audit Committee include: (i) reviewing the half-yearly and annual results of the Group; (ii) reviewing the risk management and internal control systems; (iii) reviewing the effectiveness of the internal audit function of the Company; (iv) ensuring the objectivity and credibility of the Company’s financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditor of the Company; and (v) reviewing and investigation of reports of the whistleblowing policy and systems.

As at the date of this report, the Audit Committee comprises of three independent non-executive Directors, namely Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann, with at least one of whom has appropriate professional qualifications or accounting or related financial management expertise as required in rule 5.05(2) of the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and confirmed that the preparation of such complied with applicable accounting standards and practices adopted by the Company, the requirements under the GEM Listing Rules and other applicable statutory and regulatory requirements, and adequate disclosures had been made.

By order of the Board
NOIZ GROUP LIMITED
Wong Hin Shek
Chairman and Chief Executive Officer

Hong Kong, 29 August 2024

As at the date of this report, the executive Director is Mr. Wong Hin Shek (Chairman and Chief Executive Officer), the independent non-executive Directors are Ms. Ng Ka Sim, Casina and Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann.

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the day of its publication and the Company website at www.noiz-group.com.

The English text of this report shall prevail over the Chinese text in the event of inconsistency.

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