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**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board of Directors (the “**Board**”) of Hunlicar Group Limited (the “**Company**”) is pleased to announce the following unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (“**Current Period**”) together with the unaudited comparative figures for the corresponding periods in 2023 (“**Last Corresponding Period**”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2024

		Unaudited	
		Six months	
		ended 30 September	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	169,763	197,320
Cost of sales		<u>(115,749)</u>	<u>(203,485)</u>
Gross profit/(loss)		54,014	(6,165)
Selling expenses		(840)	(945)
General and administrative expenses		(50,122)	(19,916)
Reversal of expected credit loss/(expected credit loss) on financial assets, net	5	2,902	(9,167)
Other income and gains, net		<u>3,610</u>	<u>558</u>
Operating profit/(loss)		9,564	(35,635)
Finance costs	6	<u>(4,627)</u>	<u>(6,326)</u>
Profit/(loss) before income tax	7	4,937	(41,961)
Income tax expense	8	<u>(1,085)</u>	<u>(259)</u>
Profit/(loss) for the period		<u>3,852</u>	<u>(42,220)</u>
Profit/(loss) attributable to:			
Owners of the Company		1,143	(32,913)
Non-controlling interests		<u>2,709</u>	<u>(9,307)</u>
		<u>3,852</u>	<u>(42,220)</u>
Earnings/(loss) per share attributable to owners of the Company			(Restated)
Basic	9	HK1.45 cent	HK(74.69) cent
Diluted	9	<u>HK1.45 cent</u>	<u>HK(74.69) cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Unaudited	
	Six months	
	ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit/(loss) for the period	3,852	(42,220)
Other comprehensive income/(expense)		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	<u>25</u>	<u>(116)</u>
Total comprehensive income/(expense) for the period	<u>3,877</u>	<u>(42,336)</u>
Total comprehensive income/(expense) attributable to:		
Owners of the Company	1,168	(33,029)
Non-controlling interests	<u>2,709</u>	<u>(9,307)</u>
	<u>3,877</u>	<u>(42,336)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	194,866	198,311
Right-of-use assets	<i>11</i>	7,009	8,999
Intangible assets	<i>12</i>	10,832	11,250
Other financial assets	<i>16</i>	6,604	4,354
Deposits, prepayments and other receivables	<i>15</i>	983	3,156
Deferred tax assets		17,249	17,249
		<u>237,543</u>	<u>243,319</u>
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Current assets			
Inventories		–	8,261
Loan receivables	<i>13</i>	27,200	14,940
Account receivables	<i>14</i>	121,196	115,441
Deposits, prepayments and other receivables	<i>15</i>	13,331	5,973
Other financial assets	<i>16</i>	11,070	192
Income tax recoverable		507	1,016
Bank balances held on behalf of clients		31,398	6,305
Pledged bank deposits		–	14,982
Cash and cash equivalents		49,414	67,730
		<u>254,116</u>	<u>234,840</u>
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Total assets		<u><u>491,659</u></u>	<u><u>478,159</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 September 2024

		Unaudited	Audited
		30 September	31 March
		2024	2024
	<i>Note</i>	HK\$'000	HK\$'000
EQUITY			
Share capital	17	7,892	7,892
Other reserves		640,392	644,373
Accumulated losses		(368,148)	(369,291)
		<u>280,136</u>	<u>282,974</u>
Total equity attributable to owners of the Company		280,136	282,974
Non-controlling interests		(1,026)	(3,735)
		<u>(1,026)</u>	<u>(3,735)</u>
Total equity		<u>279,110</u>	<u>279,239</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	3,839	5,826
Deferred tax liabilities		815	815
		<u>4,654</u>	<u>6,641</u>
Current liabilities			
Account payables	18	82,517	60,392
Other payables and accrued expenses	18	17,913	5,057
Lease liabilities	11	3,893	3,890
Borrowings	19	102,487	122,940
Income tax payables		1,085	–
		<u>207,895</u>	<u>192,279</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 September 2024

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Total liabilities	<u>212,549</u>	<u>198,920</u>
Total equity and liabilities	<u>491,659</u>	<u>478,159</u>
Net current assets	<u>46,221</u>	<u>42,561</u>
Total assets less current liabilities	<u>283,764</u>	<u>285,880</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

Unaudited
Attributable to owners of the Company

	Other reserves											Non-controlling interests	Total equity	
	Share capital	Share premium	Shares held for share award scheme	Merger reserve	Capital reserve	Statutory reserve	Exchange reserve	Fair value reserve	Treasury share reserve	Sub total	Accumulated losses			Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			Note (a)	Note (b)	Note (c)									
For 6 months ended														
30 September 2023														
Balance as at 1 April 2023 (audited)	4,385	523,192	(21,630)	50,374	2,810	1,042	3,812	-	-	559,600	(384,050)	179,935	6,347	186,282
Loss for the period	-	-	-	-	-	-	-	-	-	-	(32,913)	(32,913)	(9,307)	(42,220)
Other comprehensive expense														
Currency translation differences	-	-	-	-	-	-	(116)	-	-	(116)	-	(116)	-	(116)
Total comprehensive expense	-	-	-	-	-	-	(116)	-	-	(116)	(32,913)	(33,029)	(9,307)	(42,336)
Transaction with owners														
Issuance of shares upon placement	877	24,639	-	-	-	-	-	-	-	24,639	-	25,516	-	25,516
Balance as at 30 September 2023 (unaudited)	<u>5,262</u>	<u>547,831</u>	<u>(21,630)</u>	<u>50,374</u>	<u>2,810</u>	<u>1,042</u>	<u>3,696</u>	<u>-</u>	<u>-</u>	<u>584,123</u>	<u>(416,963)</u>	<u>172,422</u>	<u>(2,960)</u>	<u>169,462</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 September 2024

Unaudited Attributable to owners of the Company														
Other reserves														
	Share capital	Share premium	Shares held for award scheme	Merger reserve	Capital reserve	Statutory reserve	Exchange reserve	Fair value reserve	Treasury share reserve	Sub total	Accumulated losses	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			Note (a)	Note (b)	Note (c)									
For 6 months ended 30 September 2024														
Balance as at 1 April 2024 (audited)	7,892	600,620	(21,554)	50,374	10,149	1,042	3,708	34	-	644,373	(369,291)	282,974	(3,735)	279,239
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,143	1,143	2,709	3,852
Other comprehensive income														
Currency translation differences	-	-	-	-	-	-	25	-	-	25	-	25	-	25
Total comprehensive income	-	-	-	-	-	-	25	-	-	25	1,143	1,168	2,709	3,877
Transaction with owners														
Share repurchased and yet to be cancelled	-	-	-	-	-	-	-	-	(4,006)	(4,006)	-	(4,006)	-	(4,006)
Balance as at 30 September 2024 (unaudited)	<u>7,892</u>	<u>600,620</u>	<u>(21,554)</u>	<u>50,374</u>	<u>10,149</u>	<u>1,042</u>	<u>3,733</u>	<u>34</u>	<u>(4,006)</u>	<u>640,392</u>	<u>(368,148)</u>	<u>280,136</u>	<u>(1,026)</u>	<u>279,110</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 September 2024

Notes:

(a) Merger reserve

The Group's merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group, after elimination of intra-group investments.

(b) Capital reserve

The Group's capital reserve represents i) deemed contribution by the immediate holding company as a shareholder acquired the remaining non-controlling interests of a subsidiary and contributed to the Group at no cost prior to 1 April 2011; ii) placing commission paid to a subsidiary of the Company for the placing of shares on 19 September 2022; and iii) the excess of the considerations received from over the changes in the carrying amounts of non-controlling interests in the disposal of partial interests in subsidiaries.

(c) Statutory reserve

The Company's subsidiary in the People's Republic of China (the "PRC") is required to transfer 10% of its profit after income tax calculated in accordance with the PRC accounting standards and regulations to the statutory reserve until the balance reaches 50% of its respective registered capital, where further transfers will be at its directors' discretion. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to equity holders of the PRC subsidiary in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory reserve after such issue is no less than 25% of share capital of the PRC subsidiary.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Unaudited	
	Six months	
	ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Net cash flows generated from/(used in)		
operating activities	11,947	(1,017)
Net cash flows generated from investing activities	615	–
Net cash flows (used in)/generated from		
financing activities	<u>(30,989)</u>	<u>6,075</u>
Net (decrease)/increase in cash and cash equivalents	(18,427)	5,058
Cash and cash equivalents as at 1 April	67,730	30,959
Effect of foreign exchange rate changes, net	<u>111</u>	<u>(104)</u>
Cash and cash equivalents as at 30 September	<u><u>49,414</u></u>	<u><u>35,913</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business is 22/F., Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The interim condensed consolidated financial information are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company. All values are rounded to the nearest thousands, unless otherwise stated.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations.

The adoption of the new HKFRSs and amendments to HKFRSs has no material impact on the Group’s interim condensed consolidated financial statements. The Group has not applied the new HKFRSs that have been issued but are not yet effective.

The Group has already commenced an assessment of the impact of these new HKFRSs but is yet in a position to state whether these new HKFRSs would have a material impact to the Group’s results and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$’000	HK\$’000
Revenue from contracts with customers (Note i)	168,714	196,677
Revenue from other sources		
<i>Interest income calculated using the effective interest method from:</i>		
— loan receivables	892	643
— cash client receivables	157	–
	1,049	643
Total revenue	169,763	197,320

Note:

(i) *Disaggregated revenue information for revenue from contracts with customers*

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Type of goods or services		
<i>Sales of goods</i>	123,862	196,677
<i>Service income</i>		
— Provision of underwriting and placing services	100	—
— Provision of international education planning services	2,124	—
— Provision of family office services	5,072	—
<i>Commission income</i>		
— Provision of securities brokerage services	1,741	—
— Provision of equity capital markets services	35,258	—
— Provision of debt capital market services	557	—
	<u>168,714</u>	<u>196,677</u>
Timing of revenue recognition		
A point in time	<u>168,714</u>	<u>196,677</u>

All the sales of goods, service income and commission income have an original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The chief operating decision-maker (“**CODM**”) has been identified as the executive directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

In 2024, after the commencement of family office services business, the CODM considers that the Group has four operating and reporting segments which are (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.

The CODM assesses the performance of the operating segments based on segment profit/(loss). Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of the respective segments. Unallocated income and expenses are not included in the result for each operating segment that is reviewed by the CODM.

Segment assets consist primarily of certain property plant and equipment, right-of-use assets, intangible assets, inventories, account receivables, loan receivables, certain deposits, prepayments and other receivables, certain other financial assets, pledged bank deposit, certain cash and cash equivalents and bank balances held on behalf of clients. They exclude deferred tax assets, income tax recoverable and other unallocated assets, which are managed centrally.

Segment liabilities consist primarily of account payables, lease liabilities, certain borrowings, certain other payables and accrued expenses. They exclude deferred tax liabilities, income tax payables and other unallocated liabilities, which are managed centrally.

Segment revenues and results

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

	Unaudited				
	For the six months ended 30 September 2024				
	Computer and electronic products trading business HK\$'000	Food trading business HK\$'000	Financial services business HK\$'000	Family office services business HK\$'000	Total HK\$'000
Revenue from external customers	89,570	34,291	38,706	7,196	169,763
Cost of sales from external customers	<u>(83,798)</u>	<u>(31,951)</u>	<u>–</u>	<u>–</u>	<u>(115,749)</u>
	5,772	2,340	38,706	7,196	54,014
Selling expenses	–	(680)	–	(160)	(840)
General and administrative expenses	(2,770)	(5,823)	(28,970)	(2,380)	(39,943)
Reversal of expected credit loss on financial assets, net	–	–	2,902	–	2,902
Other income and gains, net	619	210	378	4	1,211
Finance costs	<u>–</u>	<u>(535)</u>	<u>(31)</u>	<u>–</u>	<u>(566)</u>
Segment results	<u>3,621</u>	<u>(4,488)</u>	<u>12,985</u>	<u>4,660</u>	<u>16,778</u>
Finance costs					(4,061)
Unallocated income and expenses, net					<u>(7,780)</u>
Profit before income tax					4,937
Income tax expense					<u>(1,085)</u>
Profit for the period					<u><u>3,852</u></u>

Unaudited
For the six months ended 30 September 2023

	Computer and electronic products trading business <i>HK\$'000</i>	Food trading business <i>HK\$'000</i>	Financial services business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	141,035	55,642	643	197,320
Cost of sales from external customers	<u>(159,956)</u>	<u>(43,529)</u>	–	<u>(203,485)</u>
	(18,921)	12,113	643	(6,165)
Selling expenses	(1)	(944)	–	(945)
General and administrative expenses	(4,724)	(5,568)	(943)	(11,235)
Expected credit loss on financial assets, net	–	–	(9,167)	(9,167)
Other income and gains, net	546	97	(108)	535
Finance costs	<u>(5,400)</u>	<u>(402)</u>	–	<u>(5,802)</u>
Segment results	<u><u>(28,500)</u></u>	<u><u>5,296</u></u>	<u><u>(9,575)</u></u>	<u><u>(32,779)</u></u>
Finance costs				(524)
Unallocated income and expenses, net				<u>(8,658)</u>
Loss before income tax				(41,961)
Income tax expense				<u>(259)</u>
Loss for the period				<u><u>(42,220)</u></u>

Interest revenue of HK\$1,049,000 (Last Corresponding Period: HK\$643,000) was included in revenue from external customers, wholly contributed by financial services business segment.

Segment assets and liabilities

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

	Unaudited				
	As at 30 September 2024				
	Computer and electronic products trading business HK\$'000	Food trading business HK\$'000	Financial services business HK\$'000	Family office business HK\$'000	Total HK\$'000
Segment assets	<u>95,895</u>	<u>44,978</u>	<u>97,422</u>	<u>7,438</u>	<u>245,733</u>
Segment liabilities	<u>51,239</u>	<u>18,469</u>	<u>40,473</u>	<u>150</u>	<u>110,331</u>

	Audited				
	As at 31 March 2024				
	Computer and electronic products trading business HK\$'000	Food trading business HK\$'000	Financial services business HK\$'000	Total HK\$'000	
Segment assets	<u>140,229</u>	<u>60,948</u>	<u>45,299</u>	<u>246,476</u>	
Segment liabilities	<u>51,390</u>	<u>21,934</u>	<u>9,114</u>	<u>82,438</u>	

The reconciliations of segment assets to total assets and segment liabilities to total liabilities are provided as follows:

	Unaudited	Audited
	30 September	31 March
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	245,733	246,476
Cash and cash equivalents	16,911	13,815
Property, plant and equipment	190,061	192,767
Deposits, prepayments and other receivables	3,791	2,482
Other financial assets	17,407	4,354
Deferred tax assets	17,249	17,249
Income tax recoverable	507	1,016
	<hr/>	<hr/>
Total assets	491,659	478,159
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities	110,331	82,438
Deferred tax liabilities	815	815
Income tax payables	1,085	–
Borrowings	94,629	113,734
Other payables and accrued expenses	5,689	1,933
	<hr/>	<hr/>
Total liabilities	212,549	198,920
	<hr/> <hr/>	<hr/> <hr/>

The Group's operations are located in Hong Kong and the PRC.

Majority of the Group's revenue were derived from operations located in Hong Kong.

Other segment information

Unaudited
For the six months ended 30 September 2024

	Computer and electronic products trading business HK\$'000	Food trading business HK\$'000	Financial services business HK\$'000	Family office services business HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	594	715	120	–	1,429
Depreciation of right-of-use assets	53	1,573	311	–	1,937
Amortisation of intangible assets	–	418	–	–	418

Unaudited
For the six months ended 30 September 2023

	Computer and electronic products trading business HK\$'000	Food trading business HK\$'000	Financial services business HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	807	691	7	1,505
Depreciation of right-of-use assets	316	1,574	–	1,890
Amortisation of intangible assets	–	420	–	420

5. REVERSAL OF EXPECTED CREDIT LOSS/(EXPECTED CREDIT LOSS) ON FINANCIAL ASSETS, NET

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Loan receivables	(498)	(1,807)
Cash client receivables	3,400	(7,360)
Interest receivables	—	—
	<u>2,902</u>	<u>(9,167)</u>

6. FINANCE COSTS

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Finance costs		
— Interest expenses on bank and other borrowings	4,501	6,184
— Interest expenses on lease liabilities	126	142
	<u>4,627</u>	<u>6,326</u>

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax has been arrived at after charging:

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Cost of inventories sold	115,749	203,485
Auditor's remuneration	450	290
Depreciation of property, plant and equipment	5,550	5,617
Depreciation of right-of-use assets	1,937	1,890
Amortisation of intangible assets	418	420
Employee benefit expenses	19,458	7,230
Service fees for broker supplied systems	602	210
	<u>153,163</u>	<u>226,342</u>

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Current income tax		
— Hong Kong profits tax	1,085	348
Deferred income tax	—	(89)
	<u>1,085</u>	<u>259</u>

Under the two-tiered Hong Kong Profits Tax rates regime, the first HK\$2 million of assessable profits of the qualifying group entity are taxed at 8.25%, and assessable profits above HK\$2 million are taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime are charged at a flat rate of 16.5%.

The Group has no assessable profit in PRC during the reporting periods and is not subject to any PRC corporate income tax. The PRC corporate income tax rate during the reporting periods is 25%.

9. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company for share award scheme.

	Unaudited	
	Six months ended 30 September	
	2024	2023
Profit/(loss) attributable to owners of the Company (HK\$'000)	<u>1,143</u>	<u>(32,913)</u>
		(Restated)
Weighted average number of ordinary shares in issue	<u>78,924,000</u>	<u>44,066,000</u>
		(Restated)
Basic earnings/(loss) per share	<u>HK1.45 cent</u>	<u>HK(74.69) cent</u>

The weighted average number of ordinary shares for the purposes of calculating basic earnings/(loss) per share have been retrospectively adjusted for the effects of the share consolidation completed on 26 September 2024.

(b) Diluted

Diluted earnings/(loss) per share for the Current Period and the Last Corresponding Period was same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares in existence during the reporting periods.

10. DIVIDENDS

The Board does not recommend any interim dividend for the Current Period (Last Corresponding Period: nil).

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- a) During the Current Period, there was additions of approximately HK\$2,102,000 (Last Corresponding Period: nil) for property, plant and equipment.

Also, during the Current Period, there was no disposal of property, plant and equipment (Last Corresponding Period: nil).

- b) During the period ended 30 September 2024, the Group recognised HK\$nil (30 September 2023: nil) of right-of-use assets and HK\$nil (30 September 2023: nil) of lease liabilities. As at 30 September 2024, the balance of right-of-use assets and lease liabilities are HK\$7,009,000 (31 March 2024: HK\$8,999,000) and HK\$7,732,000 (31 March 2024: HK\$9,716,000) respectively.

12. INTANGIBLE ASSETS

	Goodwill <i>HK\$'000</i>	Money lending license <i>HK\$'000</i>	Contractual customer relationship <i>HK\$'000</i>	Total <i>HK\$'000</i>
30 September 2024				
Opening carrying amount	8,035	–	3,215	11,250
Amortisation	–	–	(418)	(418)
Closing carrying amount	<u>8,035</u>	<u>–</u>	<u>2,797</u>	<u>10,832</u>
At 30 September 2024				
Cost	64,689	1,703	6,950	73,342
Accumulated amortisation and impairment	<u>(56,654)</u>	<u>(1,703)</u>	<u>(4,153)</u>	<u>(62,510)</u>
Net carrying amount	<u>8,035</u>	<u>–</u>	<u>2,797</u>	<u>10,832</u>
31 March 2024				
Opening carrying amount	8,035	–	4,055	12,090
Amortisation	–	–	(840)	(840)
Closing carrying amount	<u>8,035</u>	<u>–</u>	<u>3,215</u>	<u>11,250</u>
At 31 March 2024				
Cost	64,689	1,703	6,950	73,342
Accumulated amortisation and impairment	<u>(56,654)</u>	<u>(1,703)</u>	<u>(3,735)</u>	<u>62,092</u>
Net carrying amount	<u>8,035</u>	<u>–</u>	<u>3,215</u>	<u>11,250</u>

For the six months ended 30 September 2024, amortisation charge of HK\$418,000 (31 March 2024: HK\$840,000) was included in general and administrative expenses in the consolidated income statement.

During the Current Period, there was no additions for intangible assets (Last Corresponding Period: nil).

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

13. LOAN RECEIVABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Loan receivables	75,870	63,112
Less: Impairment		
— Stage 1	—	—
— Stage 2	—	—
— Stage 3	<u>(48,670)</u>	<u>(48,172)</u>
Loan receivables, net	<u><u>27,200</u></u>	<u><u>14,940</u></u>

The Group's loan receivables, which arise from its money lending business in Hong Kong, are denominated in Hong Kong dollars, unsecured, bearing fixed interest rate from 8% to 15% (31 March 2024: 8% to 15%), and recoverable within one year from the dates of inception of the loan agreements.

14. ACCOUNT RECEIVABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade receivables (<i>Note</i>)	196,072	192,128
Cash client receivables	245,801	240,709
Margin client receivables	<u>227</u>	<u>—</u>
	442,100	432,837
Less: Impairment	<u><u>(320,904)</u></u>	<u><u>(317,396)</u></u>
	<u><u>121,196</u></u>	<u><u>115,441</u></u>

Account receivables are denominated in the following currencies:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
HK\$	29,994	27,711
US\$	91,202	87,730
	<u>121,196</u>	<u>115,441</u>

Note:

The Group generally grants credit periods up to 60 days to the customers of trading business. The aging analysis of relevant trade receivables based on invoice date is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
1–30 days	58,500	8,325
31–60 days	–	8,033
61–90 days	23,890	–
91–180 days	–	80,150
Over 180 days	113,681	95,620
	196,071	192,128
Less: Impairment	(88,060)	(88,060)
	<u>108,011</u>	<u>104,068</u>

No aging analysis is disclosed for account receivables from cash clients and margin clients as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Non-current		
Other non-current deposits	983	3,001
Other assets	—	155
	<u>983</u>	<u>3,156</u>
Current		
Prepayments	3,305	1,576
Deposits and other receivables	10,026	4,397
	<u>13,331</u>	<u>5,973</u>
Total deposits, prepayments and other receivables	<u>14,314</u>	<u>9,129</u>

Deposits, prepayments and other receivables are denominated in the following currencies:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
HK\$	12,329	8,992
RMB	808	—
US\$	1,177	137
	<u>14,314</u>	<u>9,129</u>

16. OTHER FINANCIAL ASSETS

		As at 31 March	
		2024	2023
	Note	HK\$'000	HK\$'000
Investments designated at fair value through profit or loss:			
Listed equity securities — Hong Kong	(i)	267	192
Unlisted funds		<u>10,803</u>	<u>—</u>
		<u>11,070</u>	<u>192</u>
Equity securities designated at fair value through other comprehensive income			
Unlisted equity securities	(ii)	<u>6,604</u>	<u>4,354</u>

Notes:

- (i) The listed equity securities and unlisted funds were classified as financial assets at fair value through profit or loss as they were held for trading.
- (ii) The investment represents the Group's equity interest in private entities established in Hong Kong. The directors of the Company have elected to designate this investment in equity instruments as at FVTOCI as the Group intend to hold the investment for long term strategic purpose.

17. SHARE CAPITAL

Authorised shares:

As at 30 September 2024, the total authorised number of ordinary shares is 800 million shares (31 March 2024 (restated): 800 million shares) with a par value of HK\$0.1 per share (31 March 2024 (restated): HK\$0.1 per share).

	Number of shares '000	Amount HK\$'000
As at 1 April 2023	526,162	4,385
Issuance of shares upon placement (<i>Note a</i>)	105,228	877
Issuance of shares upon right issue (<i>Note b</i>)	315,695	2,630
	<hr/>	<hr/>
As at 31 March 2024, 1 April 2024	947,085	7,892
Share consolidation (<i>Note c</i>)	(868,161)	–
	<hr/>	<hr/>
As at 30 September 2024 (<i>Note d</i>)	<u>78,924</u>	<u>7,892</u>

Notes:

- (a) On 19 September 2023, the Group completed a placing of new shares under general mandate (the “**Placing**”). 105,228,000 ordinary shares were issued by the Company. Shares were issued at a price of HK\$0.25 per share giving the gross proceeds of approximately HK\$26.3 million. The net proceeds of approximately HK\$25.5 million from the Placing are intended to be used for general working capital of the Group. As of 31 March 2024, all of the net proceeds of approximately HK\$25.5 million had been fully utilised as intended for general working capital of the Group.
- (b) On 18 December 2023, the Company proposed to implement the rights issue on the basis of one rights share for every two existing share held on 1 December 2023 (the “**Rights Issue**”), being the record date, at the subscription price of HK\$0.18 per rights share. The Rights Issue was completed on 22 January 2024. As such, 315,695,100 shares, with par value of HK\$0.18 each, were issued and allotted under the Rights Issue with proceeds of approximately HK\$55.4 million after deducting direct cost credited to the Company’s equity under “Share premium”.
- (c) On 23 August 2024, the director of the Company proposed to implement a share consolidation on the basis that every twelve (12) issued and unissued shares of HK\$0.008333 each would be consolidated into one consolidated share of HK\$0.1 each.

Pursuant to an ordinary resolution passed on 24 September 2024, the share consolidation was approved by the shareholders of the Company and has become effective on 26 September 2024. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 947,085,000 to 78,924,000.

(d) The Company repurchased its own shares through the Stock Exchange as follows:

During the six months ended 30 September 2024, the Company repurchased its own shares on the Stock Exchange as follows:

Date of repurchase	Number of Share repurchased	Consideration per Share		Aggregate consideration paid (before expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
2024				
26 September	1,150,000	2.88	2.59	3,116
27 September	<u>350,000</u>	2.56	2.50	<u>884</u>
	<u>1,500,000</u>			<u>4,000</u>

During the six months ended 30 September 2024, 1,500,000 shares were repurchased with aggregate consideration of approximately HK\$4,006,000, including expenses paid amounting to HK\$6,000.

18. ACCOUNT PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade payables (<i>Note b</i>)	51,427	54,238
Cash client payables (<i>Note a</i>)	<u>31,090</u>	<u>6,154</u>
Total account payables	82,517	60,392
Accrued expenses	10,240	3,951
Other payables	<u>7,673</u>	<u>1,106</u>
Total other payables and accrued expenses	17,913	5,057
Total account payables, other payables and accrued expenses	100,430	65,449

Notes:

- (a) The settlement terms of payables arising from securities brokerage business are normally two to three days after trade date or specific terms agreed. The majority of the cash client payables are unsecured, non-interest-bearing and repayable on demand, except where certain balances represent trades pending settlement or cash received from clients for their trading activities under the normal course of business.
- (b) The aging analysis of relevant trade payables based on invoice date is as follows:

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
1–30 days	1,188	4,152
31–60 days	85	–
61–90 days	20	–
Over 90 days	<u>50,134</u>	<u>50,086</u>
	<u><u>51,427</u></u>	<u><u>54,238</u></u>

No aging analysis is disclosed for cash client payables as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

Account payables, other payables and accrued expenses of the Group are denominated in the following currencies:

	Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
HK\$	50,504	15,515
RMB	3	3
US\$	<u>49,923</u>	<u>49,931</u>
	<u><u>100,430</u></u>	<u><u>65,449</u></u>

Other than those disclosed in Note (a) above, account payables and other payables are unsecured, non-interest-bearing and repayable on demand.

19. BORROWINGS

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Bank borrowings	102,487	122,940
Analysed as:		
— Secured	94,629	113,734
— Unsecured	7,858	9,206
	102,487	122,940

As at 30 September 2024, the Group's bank borrowings of HK\$94,629,000 (31 March 2024: HK\$113,734,000) are secured by the Group's owned properties situated in Hong Kong of HK\$182,901,000 (31 March 2024: HK\$186,941,000).

As at 30 September 2024, the Group's bank borrowings of HK\$7,858,000 (31 March 2024: HK\$9,206,000) is guaranteed by a shareholder of the Company.

The Group's secured bank borrowings, which contain a clause giving the lender an unconditional right to demand repayment at any time, have been classified as current liabilities irrespective of the probability that the lenders will invoke the clause without cause.

The maturities of the bank borrowings that contain repayable on demand clause are as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) are repayable:		
— Within one year	97,433	105,421
— Between one and two years	2,722	13,910
— Between two and five years	2,332	3,609
	102,487	122,940
	102,487	122,940

The exposure of the Group's borrowings are as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Variable-rate borrowings	99,918	120,110
Fixed-rate borrowings	2,569	2,830
	<u>102,487</u>	<u>122,940</u>

As at 30 September 2024, the Group's variable-rate bank borrowings carry interest at a floating interest rate plus credit spread per annum (31 March 2024: same).

As at 30 September 2024, the Group's variable rate bank borrowings of approximately HK\$83,585,000 (31 March 2024: HK\$98,213,000) and HK\$16,333,000 (31 March 2024: HK\$21,897,000) are carrying interest at 3-month USD LIBOR plus premium and 3-month HIBOR plus premium respectively.

As at 30 September 2024, the Group's fixed rate bank borrowings of HK\$2,569,000 (31 March 2024: HK\$2,830,000) is guaranteed, interest bearing at a fixed rate per annum and repayable within one year.

Borrowings of the Group are denominated in the following currencies:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
HK\$	18,902	24,727
US\$	83,585	98,213
	<u>102,487</u>	<u>122,940</u>

20. CAPITAL COMMITMENTS

The Group had no capital commitments at the end of the reporting period (31 March 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group was principally engaged in (i) computer and electronic products trading business, (ii) food trading business, (iii) financial services business and (iv) family office services business.

(i) Computer and electronic products trading business

Throughout the review period, several factors, including rising interest rates by major economies, ongoing trade disputes between the PRC and the United States, and geopolitical tensions in various regions, have impacted the global economic and business environment. These elements have slowed the global economy and hampered international trade. Consequently, this business segment has faced unprecedented challenges and uncertainties in its overall trading business environment during the period under review. Attributed to these market conditions, despite the Group's overall revenue in the computer and electronic products trading business segment during the period under review, decreased by approximately HK\$51.4 million from approximately HK\$141.0 million to approximately HK\$89.6 million, representing an decreasing of approximately 36.5%, the Group recorded a segment profit of approximately HK\$3.6 million (Last Corresponding Period: segment loss of approximately HK\$28.5 million) for the period. In view of such market conditions, the Group continuously keeps on tight control of its operations. The Group shall concentrate on improving operational efficiency and implementing various cost-control measures. Additionally, the Group shall strengthen its long-term and close business relationships with suppliers and customers. It remains vigilant in monitoring market trends, taking prompt and appropriate actions to adjust business strategies, and allocating resources effectively under diverse market conditions.

(ii) Food trading business

The Group has been actively searching for business opportunities to diversify its business with a view to exploit new business opportunities from time to time, to diversify and broaden revenue sources of the Group and to generate tremendous returns and long-term value for its shareholders. As such, the Group engaged in the food trading business in 2023 by the acquisition of companies principally engaged in the trading of frozen food products and provision of fish processing and preserving services.

This business segment now involves sourcing frozen food products including whole and cut salmon fishes, scallop, eel, sea cucumber, yellowtail fillet, wagyu beef, lamb and other frozen seafood and meat etc., from overseas and local suppliers, and selling them to customers in Hong Kong (including local restaurants and supermarkets). The whole salmon fishes are directly sourced from Norway which could also be cut and packaged into smaller pieces or tailored-made sizes in accordance with customers' request.

During the period under review, the revenue in food trading business decreased by approximately HK\$21.3 million from approximately HK\$55.6 million to approximately HK\$34.3 million, representing an decreasing of approximately 38.3%, the Group recorded a segment loss of approximately HK\$4.5 million (Last Corresponding Period: segment profit of approximately HK\$5.3 million) for the period.

(iii) Financial services business

The Group holds SFC licenses to conduct securities brokerage and advisory businesses, as well as a money lender license under the Money Lenders Ordinance, through its subsidiaries. Following the gradual recovery from the economic downturn caused by the pandemic, the business segment has committed to expanding its operations to reach more clients, demonstrating a proactive approach to capturing new opportunities and strengthening its market presence. For the Current Period, the Group recorded an overall revenue of approximately HK\$38.7 million (Last Corresponding Period: approximately HK\$0.6 million) and a segment profit of approximately HK\$13.0 million (Last Corresponding Period: segment loss of approximately HK\$9.6 million) for the business segment of financial services business.

During the period under review, the local economic and financial market experienced is steady recovery, the Group recorded a revenue of HK\$37.8 million (Last Corresponding Period: HK\$nil) and a segment profit of approximately HK\$13.8 million (Last Corresponding Period: segment loss of approximately HK\$8.4 million) respectively in respect of the Group's securities brokerage business. The Group recorded a revenue of HK\$nil (Last Corresponding Period: HK\$nil) and a segment loss of HK\$nil (Last Corresponding Period: approximately

HK\$nil) respectively in respect of the Group's advisory services business. The Group recorded a revenue of approximately HK\$0.9 million (Last Corresponding Period: approximately HK\$0.6 million) and a segment loss of approximately HK\$0.8 million (Last Corresponding Period: approximately HK\$1.2 million) respectively in respect of the Group's money lending business.

(iv) Family office services business

The Group commenced its family office service business in 2024 with a view to serving ultra-high-net-worth individuals and families. This business segment intends to provide comprehensive financial management, investment advisory, estate planning, tax optimization, and succession planning to preserve and grow clients' wealth across generations. It helps clients by offering personalized services tailored to their unique financial goals and challenges. Driven by the increasing wealth of individuals and families globally, the market presents a significant opportunity for our business segment. Revenue and segment profit from this new family office services business contributed approximately HK\$7.2 million and HK\$4.7 million respectively for the period ended 30 September 2024.

LOOKING AHEAD

The Company's management has been dedicated to exploiting new business opportunities and new business segment from time to time, including business opportunities in the trading business and financial services business.

The Company's management will continue to explore new business opportunities and expand into new segments, particularly within the financial services and trading sectors.

In respect of the financial services business, despite the uncertainties affecting the global economic outlook, the Group will proactively seize opportunities presented by the economic recovery in financial markets and continue to enhance the trading experience for its customers to boost competitiveness in its market segment. Concurrently, the Group will maintain its prudent approach by reviewing financing services and adopting appropriate strategies to mitigate risks and ensure stable business development.

Regarding the trading business of computer and peripheral products and electronics products, the Group are optimistic about the future development of the electronic and semiconductor industry in which the Group operates. The Group is confident in the mid-to-long-term recovery of the Mainland market. In Mainland China, the economy is expected to remain stable with growth, supported by accommodative monetary policy and fiscal stimulus from the central government. Considering the ongoing economic recovery in the PRC, the continued vitality in new consumer electronics, advancements in 5G networks and the Internet of Things, the general demand for electronic and semiconductor components across various manufacturing sectors (ranging from personal electronics to new vehicles with navigation aids), and the potential impact on supply chains due to political and trade disputes between the PRC and the United States, the Group believes that these factors present significant opportunities in the electronics and semiconductor industry and the supporting businesses in the PRC.

Regarding the food trading business, the Group maintains a positive outlook for its future prospects. As economic activities in Hong Kong are recovering, the Group hopes that the consumer consumption and the demand from local restaurants, catering service providers, resellers and retailers will increase.

The outlook for the family office services business is promising, with rapid global expansion driven by increased family wealth and a growing demand for customized investment strategies. The Group will seize these opportunities by leveraging Hong Kong's robust financial infrastructure, professional services, and strategic location. By offering tailored financial management, estate planning, and investment advisory services, the Group will attract and retain high-net-worth clients.

Looking ahead, the management remains confident about the Group's future development. The Group will continue to adhere to its principle of steady growth, positively addressing any challenges and seizing suitable opportunities. The Group will stay committed to exploring new business opportunities across various sectors, aiming to diversify and expand revenue sources. This approach is intended to generate excellent returns and long-term value for the shareholders.

FINANCIAL REVIEW

Revenue and Gross Profit Margin

Revenue by business segments for the Group's revenue for the six months ended 30 September 2024 is as follows:

- Computer and electronic products trading business: approximately HK\$89.6 million, being a decrease of approximately HK\$51.4 million when compared to the Last Corresponding Period of approximately HK\$141.0 million
- Food trading business: approximately HK\$34.3 million, being a decrease of approximately HK\$21.3 million when compared to the Last Corresponding Period of approximately HK\$55.6 million
- Financial services business (including securities brokerage business, advisory services business and money lending business): approximately HK\$38.7 million, being an increase of approximately HK\$38.1 million when compared to the Last Corresponding Period of approximately HK\$0.6 million
- Family office services business: approximately HK\$7.2 million, being an increase of approximately HK\$7.2 million when compared to the last Corresponding Period of HK\$nil

The Group's total revenue for the Current Period was approximately HK\$169.8 million, being a decrease of approximately HK\$27.6 million when compared to the Last Corresponding Period of approximately HK\$197.3 million. The decrease was mainly attributable to decrease in revenue derived from computer and electronic products trading business and food trading business which was partially offset by the increase in revenue derived from financial services business and family office services business.

Gross profit margin for the Current Period was approximately 31.8% (Last Corresponding Period: gross loss margin of approximately 3.1%). Increase in gross profit margin was mainly caused by the relatively higher gross profit earned from financial services business and family office services business for the Current Period.

Selling Expenses

Selling expenses of approximately HK\$0.8 million was mainly incurred for the food trading business.

General and Administrative Expenses

General and administrative expenses for the Current Period increased by approximately HK\$30.2 million from the Last Corresponding Period, which was mainly attributable to the financial services business.

Expected Credit Loss on Financial Assets, net

During the period ended 30 September 2024, the Group recorded a net amount of Expected Credit Loss (“ECL”) on financial assets of approximately HK\$2.9 million reversal, being a decrease when compared to the provision in Last Corresponding Period of approximately HK\$9.2 million, which was mainly attributed to the change in ECL incurred from cash client receivables. During the Current Period, the rates of stock market volatility and deterioration in economy were slower compared to the Last Corresponding Period, the group recorded a reversal of expected credit loss on cash client receivables of approximately HK\$3.4 million (Last Corresponding Period: provision of approximately HK\$7.4 million). The Group did not engage any independent external valuers to perform the assessment of ECL on financial assets,

instead, conducted an internal assessment and evaluation to support the impairment made. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Reversal of expected credit loss/(expected credit loss) on financial assets, net are as follows:

	Unaudited	
	Six months	
	ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivables (i)	(498)	(1,807)
Cash client receivables (ii)	3,400	(7,360)
	<u> </u>	<u> </u>
Total ECL on financial assets reversed/(recognised) in profit or loss	<u>2,902</u>	<u>(9,167)</u>

The basis for determining the impairment of the Company is based on the ECL model according to HKFRS 9. Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the impairment allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the impairment allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the impairment allowance is measured at an amount equal to lifetime ECLs

In addition to the above three-stage framework, if there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery, the relevant amount will be written off.

The assessment of the impairment is conducted based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The management of the Group regularly reviews the change of the factors in the ECL formula (if any), and determines whether the credit risk of financial assets has changed.

The Group always recognised lifetime ECL for trade receivables which are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information. For all other instruments, the Group measures the impairment equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, where the Group would then consider recognising lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

In assessing whether the credit risk on the financial assets has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of a default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

(i) *Expected credit loss on loan receivables and interest receivables*

Loan receivables and interest receivables are arising from the money lending business. The business model of the money lending business is targeted to provide short-term loan financing to individual and corporate clients through its business network in Hong Kong. The term of loans is within one year. The interest rate is within a range from 8% to 15% by reference to the market.

Credit risk assessments were performed by the Group before each loan was advanced. Identity checks, financial background checks, relevant public searches (such as company search and land search) were conducted on the borrowers (where applicable). In credit assessment, the Company will normally take into account factors including, but not limited to personal financial background and repayment ability of the borrowers, internal and external credit checking results, and the borrowers' repayment record to assure the clients have the financial capacity to meet loan obligations.

Subsequent to the drawdown of loans, to ensure that loan repayments are punctual and past due accounts are handled efficiently, the Group actively reviews and monitors the loan repayment status on a regular basis.

The Group has closely monitored the loans receivables for the purpose of assessing credit risk and has put effort into the collection procedures of the loan receivables, such as making phone calls and sending reminders to the relevant customers from time to time. The Group may also negotiate with customers on the repayment arrangements on a case-by-case basis according to the circumstances of the customers, especially during the COVID-19 pandemic. Legal actions may be brought against the relevant customers depending on the actual circumstances on a case-by-case basis.

ECL assessment is done based on the Group's historical credit loss experience, latest financial capabilities of the borrowers, general economic and financial conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group performs collective assessments on impairment allowance for the loan receivables and respective interest receivables on a regular basis by dividing its loans receivables into different groups according to the loan types, with each loan type sharing similar credit risk characteristics, and calculates the ECL for each loan type. The measurement of impairment allowance for collective assessment is mainly based on the amount of loans receivables and interest receivables of each loan type at a point of time and will take into the past-due status, the probability of default (which may be affected by the duration of delinquency), loss given default (i.e. the magnitude of the loss if there is a default), historical repayment performance and adjusted by forwarding-looking information such as the economic and financial environment, etc.

The Group also performs individual assessments on impairment allowance for the loan receivables and interest receivables. For individual assessment, the amount of impairment allowance on loans receivables and interest receivables will be considered on a case-by-case basis by way of expected cash flow, taking into account, among other factors, the expected date of recovery.

The Group considers the loan and respective interest receivables as a loss if the repayment of principal and/or interest has been overdue for a pro-longed period and the collection of principal and interest in full is considered improbable after exhausting all collection efforts such as initiation of legal proceedings.

For the six months ended 30 September 2024, the Group recorded an ECL on loans receivables of approximately HK\$0.5 million (Last Corresponding Period: provision of approximately HK\$1.8 million) and recorded a provision of ECL on interest receivables of HK\$nil (Last Corresponding Period: approximately HK\$nil), after assessing all the borrowers' financial background, repayment abilities and expected future cash flows. During the period, the repayment of loan receivables and interest receivables were approximately HK\$16.8 million and HK\$0.8 million respectively.

(ii) Expected credit loss on cash client receivables

Cash client receivables are arising from the securities brokerage business. For cash client receivables, the Group considers there has been a significant increase in credit risk when clients cannot meet the loan call requirement and use the loan-to-collateral value (“LTV”) to make its assessment.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers a cash client receivable is in default when LTV is larger than a defined benchmark. However, in certain cases, the Group may also consider a cash client receivable to be in default when there is a significant shortfall which indicates the Group is unlikely to receive the outstanding contractual amounts in full taking into account the pledged securities held by the Group. A cash client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

For the six months ended 30 September 2024, the Group recorded a reversal of ECL on cash client receivables of approximately HK\$3.4 million (Last Corresponding Period: provision of approximately HK\$7.4 million). The change was mainly due to the slower rates of stock market volatility and deterioration in economy during the period. The decrease in market value of the pledged securities of each client was relatively steady during the Current Period.

Other Income and Gains, net

The Group's other income and gains for the Current Period was approximately HK\$3.6 million (Last Corresponding Period: approximately HK\$0.6 million). The amount mainly represents sundry income and realised gain on the change in fair value of equity investment at fair value through profit or loss generated during the period.

Finance Costs

Finance costs for the Current Period was approximately HK\$4.6 million, being a decrease of approximately HK\$1.7 million when compared to the Last Corresponding Period of approximately HK\$6.3 million. The decrease was mainly attributable to the partial repayment of bank borrowing during the Current Period.

Income Tax Expense/Credit

Income tax expense for the Current Period was approximately HK\$1.0 million (Last Corresponding Period: approximately HK\$0.3 million). The change was mainly due to the assessable profits generated from family office services business for the Current Period.

Profit for the Period

The Group recorded a profit of approximately HK\$3.9 million for the Current Period, as compared to loss of approximately HK\$42.2 million for the Last Corresponding Period.

Profit for the Period Attributable to Owners of the Company

The profit for the Current Period attributable to the owners of the Company amounted to approximately HK\$1.1 million (Last Corresponding Period: loss of approximately HK\$32.9 million), resulted in a basic earnings per share for the Current Period of HK1.45 cent (Last Corresponding Period: approximately basis loss per share HK74.69 cent (after share consolidation)) and diluted loss per share for the Current Period of HK1.45 cent (Last Corresponding Period: HK74.69 cent (after share consolidation)).

Inventories, Loan Receivables and Account Receivables

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities. Inventories as at 30 September 2024 was HK\$nil (31 March 2024: approximately HK\$19.5 million). The overall inventories turnover days remained healthy and reasonable for the period under review.

As at 30 September 2024, the Group's loan receivables amounted to HK\$27.2 million (31 March 2024: approximately HK\$14.9 million), which arise from its money lending business in Hong Kong. The Group recorded an ECL of approximately HK\$0.5 million for the Current Period.

The Group continues to closely monitor the settlements from its customers on an ongoing basis to manage the credit risk from time to time. As at 30 September 2024, included in the account receivables are trade receivables, cash client receivables and margin client receivables, which amounted to approximately HK\$108.0 million (31 March 2024: approximately HK\$104.1 million), approximately HK\$13.0 million (31 March 2024: approximately HK\$11.4 million) and approximately HK\$0.2 million (31 March 2024: HK\$nil), respectively. Trade receivables are arising from its trading business. Cash client receivables and margin client receivables are arising from its securities brokerage business. The Group recorded no ECL on trade receivables and recorded a reversal of ECL on cash client receivables of approximately HK\$3.4 million (30 September 2023: provision of approximately HK\$7.4 million) for the Current Period.

Liquidity, Financial Resources, Working Capital and Treasury Policy

As at 30 September 2024, cash and cash equivalents of the Group amounted to approximately HK\$49.4 million (31 March 2024: approximately HK\$67.7 million), and the Group's net assets amounted to approximately HK\$279.1 million (31 March 2024: approximately HK\$279.2 million). As at 30 September 2024, there was approximately HK\$102.5 million outstanding borrowings balance (31 March 2024: approximately HK\$122.9 million).

As at 30 September 2024, non-current assets of the Group amounted to approximately HK\$237.5 million (31 March 2024: approximately HK\$243.3 million), the Group's current assets amounted to approximately HK\$254.1 million (31 March 2024: approximately HK\$234.8 million), and net current assets as at 30 September 2024 amounted to approximately HK\$46.2 million (31 March 2024: approximately HK\$42.6 million). As at 30 September 2024, the current ratio was approximately 1.2 (31 March 2024: approximately 1.2) (calculated by dividing the total current assets by the total current liabilities).

The Group's gearing ratio is calculated as net debt divided by total capital (the sum of total equity and net debt), as shown in the consolidated statement of financial position. Net debt is calculated as total borrowings less cash and cash equivalents. The gearing ratio as at 30 September 2024 was approximately 16.0% (31 March 2024: approximately 12.6%).

The Group funds its business and working capital requirements by using a balanced mix of internal resources, borrowings and funds from the Company's equity fund raising exercises. In order to release the Group's liquidity stress, the Group will resolve different approaches including but not limited to reduction of overall operating cost of in all aspects and endeavor to obtain both long-term and short-term credit facilities. The Group will strive to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group would also be receptive to any feasible proposals to dispose of the low utilizing properties as suitable opportunities arise. The Group will continue to make efforts to improve the Group's liquidity and financial position by any ways including actively and regularly reviewing its capital structure negotiating with banks and other institutions for roll-over or re-financing its existing borrowings and will consider raising additional fundings by bank borrowings and by issuing bonds or new shares, where appropriate.

Capital Structure and Fund Raising Activities

The capital of the Company comprises only ordinary shares.

With effect from 26 September 2024, every twelve (12) issued and unissued shares of par value of HK\$0.008333 each in the share capital of the Company were consolidated into one (1) consolidated share of par value of HK\$0.1 of the Company (the “**Share Consolidation**”). Further details of the Share Consolidation are set out in the announcement of the Company dated 23 August 2024 and the circular of the Company dated 30 August 2024.

As at 30 September 2024, the number of ordinary shares of the Company issued and fully paid was 78,923,775 (31 March 2024: 78,923,775 (after the Share Consolidation)).

Capital Commitments

The Group had no capital commitments as at 30 September 2024 (31 March 2024: nil).

Pledge of Assets

As at 30 September 2024, the Group’s bank borrowings of approximately HK\$94.6 million is secured by Group’s leasehold properties situated in Hong Kong of approximately HK\$182.9 million.

As at 31 March 2024, the Group’s bank borrowings of approximately HK\$113.7 million is secured by Group’s leasehold properties situated in Hong Kong of approximately HK\$186.9 million.

Foreign Currency Exposure

The Group is exposed to certain foreign currency risk primarily with respect to Renminbi (“**RMB**”) and United States dollar (“**US\$**”) as most of the transactions are denominated in Hong Kong dollar (“**HK\$**”), RMB and US\$. The Group is exposed to foreign exchange risk primarily through expenses transactions that are denominated in currencies other than the functional currencies of the group companies. During the Current Period, the Group recorded a foreign exchange gain of approximately HK\$0.1 million (Last Corresponding Period: foreign exchange gain of approximately HK\$0.1

million). The Group manages its exposure to foreign currency transactions by monitoring the level of foreign currency receipts and payments and ensures that the net exposure to foreign exchange risk is kept to an acceptable level. During the Current Period, the Group has not used any forward exchange contract to hedge against foreign exchange risk as management considers its exposure as not significant. The Group will continue to manage the net exposure of foreign exchange risk to keep it at an acceptable level from time to time.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2024 (31 March 2024: nil).

Employees and Emolument Policy

As at 30 September 2024, the Group had a total of 63 employees. Employee benefits expenses, including Directors' remuneration for the Current Period, totally amounted to approximately HK\$19.5 million (Last Corresponding Period: approximately HK\$7.2 million). The Group's remuneration policy is based on the position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, the Group has adopted a share option scheme and a share award scheme for providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the Current Period.

Subsequent Event after the Reporting Period

No significant event has occurred after the period ended 30 September 2024 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopts a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings according to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. The Company had made specific enquiries of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the Current Period.

CHANGES IN THE COMPOSITION OF THE BOARD

Change in the composition of the Board during the six months ended 30 September 2024 and up to the date of this announcement are as follows:

Ms Kwok Ling Yee Pearl Elizabeth resigned as an executive Director of the Company on 5 April 2024.

Ms Luo Ying was appointed as an executive Director of the Company on 5 April 2024.

Mr Cheung Lit Wan Kenneth was appointed as the chairman and executive Director of the Company on 2 July 2024.

Mr Li Huaqiang retired from the office as an independent non-executive Director of the Company on 24 September 2024.

Mr Zhu Shouzhong retired from the office as an independent non-executive Director of the Company on 24 September 2024.

Mr Mao Shuguang was appointed as an independent non-executive Director of the Company on 24 September 2024.

Mr Leung Wai Kwan was appointed as an independent non-executive Director of the Company on 24 September 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 September 2024, the Company repurchased its own Shares on the Stock Exchange as follows:

Date of repurchase	Number of Share repurchased	Consideration per Share		Aggregate consideration paid (before expenses) HK\$’000
		Highest HK\$	Lowest HK\$	
2024				
26 September	1,150,000	2.88	2.59	3,116
27 September	<u>350,000</u>	2.56	2.50	<u>884</u>
	<u><u>1,500,000</u></u>			<u><u>4,000</u></u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the period ended 30 September 2024.

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance to safeguard the interest of the Company’s shareholders and to enhance corporate value and accountability. During the Current Period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference set out in the CG Code. The principal duties of the audit committee include the review and supervision of the Group's financial reporting matters, risk management and internal control procedures. The audit committee of the Board (the "Audit Committee") comprises three independent Non-Executive Directors, namely Mr Loo Hong Shing Vincent (Chairman of the Audit Committee), Mr Mao Shuguang and Mr Leung Wai Kwan. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim condensed consolidated financial information of the Group for the Current Period with the Directors of the Company.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This unaudited interim results announcement is published on the websites of the Stock Exchange and the Company, and the interim report of the Company for the Current Period containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Hunlicar Group Limited
Cheung Lit Wan Kenneth
Chairman & Executive Director

Hong Kong, 25 November 2024

As at the date of this announcement, the executive Directors are Mr Cheung Lit Wan Kenneth, Mr Chan Wing Sum, Mr Qu Hongqing and Ms Luo Ying; and the independent non-executive Directors are Mr Loo Hong Shing Vincent, Mr Mao Shuguang and Mr Leung Wai Kwan.