



国联通信

Global Link

國聯通信控股有限公司

GLOBAL LINK COMMUNICATIONS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8060)

Interim Report 2024

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This report, for which the directors (the “Directors”) of Global Link Communications Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange 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.

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HIGHLIGHTS

Turnover for the six months ended 30 September 2024 was approximately HK\$72,141,000 representing approximately 10% increase from that of the Last Corresponding Period.

Loss attributable to equity shareholders of the Company for the six months ended 30 September 2024 was approximately HK\$480,000 and net loss of approximately HK\$935,000 was recorded in the Last Corresponding Period.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board of directors (the “**Board**”) of Global Link Communications Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (“**Global Link**” or the “**Group**”) for the six months ended 30 September 2024 together with the unaudited comparative figures for the corresponding period in 2023 (“**Last Corresponding Period**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 September	
	Notes	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	2 & 4	72,141	65,849
Cost of sales		(63,562)	(59,312)
Gross profit		8,579	6,537
Other income		1,948	4,078
Selling expenses		(4,742)	(5,066)
Administrative expenses		(5,696)	(6,091)
Other operating expenses		(377)	(270)
Loss from operation		(288)	(812)
Finance costs		(192)	(123)
Loss before taxation	3	(480)	(935)
Income tax	5	–	–
Loss for the period		(480)	(935)
Other comprehensive (loss)/income:			
Exchange differences on translating foreign operations		(7)	3
Total comprehensive loss for the period		(487)	(932)
Loss attributable to:			
Equity shareholders of the Company		(480)	(935)
Non-controlling interests		–	–
		(480)	(935)
Total comprehensive loss attributable to:			
Equity shareholders of the Company		(487)	(932)
Non-controlling interests		–	–
		(487)	(932)
		HK cents	HK cents
Loss per share:	7		
– Basic and diluted		(0.15)	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	8	1,718	2,448
		1,718	2,448
Current assets			
Inventories		5,716	967
Contract assets		8,213	7,837
Trade and other receivables	9	45,457	56,689
Deposits and prepayments		5,954	7,639
Time deposit		35,799	65,683
Cash and cash equivalents		49,043	20,378
		150,182	159,193
Current liabilities			
Trade and other payables	10	55,299	63,709
Contract liabilities		1,262	1,852
Other borrowing		2,405	2,392
Lease liabilities		748	1,458
Provision		1,444	1,058
Income tax payable		6,687	6,652
		67,845	77,121
Net current assets		82,337	82,072
Total assets less current liabilities		84,055	84,520
Non-current liabilities			
Lease liabilities		639	635
Borrowing from a related party	10	3,548	3,530
		4,187	4,165
Net assets		79,868	80,355
Capital and reserves			
Equity attributable to equity shareholders of the Company			
Share capital		32,638	32,638
Reserves		47,230	47,717
Total equity		79,868	80,355

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net cash used in from operating activities	(2,077)	(1,579)
Net cash generated from investing activities	31,504	217
Net cash used in financing activities	(793)	(804)
Net increase/(decrease) in cash and cash equivalents	28,634	(2,166)
Cash and cash equivalents at 1 April	20,378	24,108
Effect of foreign exchange rate changes	31	83
Cash and cash equivalents at 30 September	49,043	22,025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity shareholders of the Company						
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Merger reserve (unaudited) HK\$'000 (note a)	Exchange reserve (unaudited) HK\$'000	Accumulated Losses (unaudited) HK\$'000	Statutory reserves (unaudited) HK\$'000 (note b)	Total equity (unaudited) HK\$'000
As at 1 April 2023	32,638	188,107	2,135	9,840	(161,933)	11,600	82,387
Loss attributable to equity shareholders of the Company for the period	-	-	-	-	(935)	-	(935)
Other comprehensive income exchange differences on translating foreign operations	-	-	-	3	-	-	3
As at 30 September 2023	32,638	188,107	2,135	9,843	(162,868)	11,600	81,455
As at 1 April 2024	32,638	188,107	2,135	9,807	(163,932)	11,600	80,355
Loss attributable to equity shareholders of the Company for the period	-	-	-	-	(480)	-	(480)
Other comprehensive loss exchange differences on translating foreign operations	-	-	-	-	(7)	-	(7)
As at 30 September 2024	32,638	188,107	2,135	9,807	(164,419)	11,600	79,868

Notes:

- (a) The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiary arising from group reorganisation in 2002.
- (b) Statutory reserves comprise statutory surplus reserve and statutory welfare reserve fund of subsidiaries in the People's Republic of China (the "PRC").

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's unaudited interim results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

2. REVENUE

Revenue, which is also the Group's turnover, presents net of value-added tax, trade discounts and returns.

3. LOSS BEFORE TAXATION

Loss before tax is stated after charging the following:

	For the six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Depreciation of property, plant and equipment		
– self-owned assets	57	74
– right-of-use assets	696	724
Staff costs including directors' emolument	9,848	10,688

4. SEGMENTAL INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by board of directors of the Company, the chief operating decision-makers (“**CODM**”) for the purposes of resource allocation and performance assessment. The Group’s operating segments are organised and structured according to the geographical locations where the Group’s customers are located. The geographical locations include the People’s Republic of China (the “**PRC**”) (place of domicile of the Group) and Hong Kong.

Segment revenue of PRC comprises the revenue from supply, development and integration of passenger information management system and Customer relationship management services (“**CRMS**”) income while the segment revenue of Hong Kong comprises the revenue from supply, development and integration of passenger information management systems and CRMS income.

No reportable operating segment has been aggregated.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group’s accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs e.g. directors’ salaries, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation charge is not allocated to reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation attributable to those segments.

Sales between segments are carried out on arm’s length basis. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

4. SEGMENTAL INFORMATION (Continued)

(a) Segment results (Continued)

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2024 and 2023 is set out below:

	PRC		Hong Kong		Total	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Disaggregated by timing of revenue recognition						
- Overtime	-	-	-	-	-	-
- Point in time	70,428	63,899	3,536	3,624	73,964	67,523
	70,428	63,899	3,536	3,624	73,964	67,523
Reportable segment profit	8,177	5,817	749	720	8,926	6,537
Interest revenue	2	31	1,636	1,588	1,638	1,619
Depreciation	(753)	(798)	-	-	(753)	(798)

4. SEGMENTAL INFORMATION (Continued)

(b) Reconciliation of reportable segment revenues and profit or loss

	For the six months ended 30 September	
	2024 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>
Revenue		
Total reportable segments' revenue	73,964	67,523
Elimination of inter-segment revenue	(1,823)	(1,674)
Consolidated revenue	72,141	65,849
Profit		
Total reportable segments' profit	8,926	6,537
Elimination of inter-segment profit	(347)	–
Reportable segment profit derived from		
Group's external customer	8,579	6,537
Bank interest income	1,638	1,619
Financial costs	(192)	–
Unallocated head office and corporate expenses	(10,505)	(9,091)
Consolidated loss before tax expenses	(480)	(935)

5. INCOME TAX

The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong was 16.5% for the six months ended 30 September 2024 and 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary the first HK\$2 million of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%.

No Hong Kong profits tax has been provided in the financial statements as the Company and its subsidiaries in Hong Kong did not derive any assessable profit for the period (2023: Nil).

A PRC subsidiary of the Company, Guangzhou Global Link Communications Inc. (“**Guangzhou Global Link**”), was qualified as “High and new technology enterprise” and subject to concessionary rate of PRC enterprise income tax (the “**PRC EIT**”) at 15%, which was granted for further three years starting from December 2023. The remaining PRC subsidiaries were qualified as “Small Low-profit Enterprise” and subject to a concessionary PRC EIT rate.

The Company and its subsidiaries incorporated in countries other than the PRC and Hong Kong are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

There was no significant unprovided deferred taxation for the six months ended 30 September 2024.

6. DIVIDEND

The Board does not recommend an interim dividend for the six months ended 30 September 2024 (2023: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the unaudited consolidated loss attributable to equity shareholders of the Company for the six months ended 30 September 2024 of approximately HK\$480,000 (2023: approximately HK\$935,000) and the weighted average number of approximately 326,380,800 ordinary shares (2023: approximately 326,380,800 ordinary shares) in issue during the period calculated.

(b) Diluted loss per share

The basic and diluted loss per share are the same for the six months ended 30 September 2024 and for the six months ended 30 September 2023, as there no diluted potential ordinary shares in issue during the period.

8. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 September 2024 (Unaudited) HK\$'000
Opening balance	2,448
Additions	19
Depreciation	(753)
Exchange realignment	4
Closing balance	1,718

9. TRADE AND OTHER RECEIVABLES

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade receivables	37,222	54,835
Other receivables	8,235	1,854
	45,457	56,689

Details of the aging analysis of trade receivables are as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Within 90 days	26,229	37,227
Between 91 to 180 days	1,027	12,514
Between 181 to 365 days	6,511	4,244
Between 1 to 2 years	3,455	850
	37,222	54,835

Customers are generally granted with credit terms of 90 days.

10. TRADE AND OTHER PAYABLES

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Current liabilities		
Trade payables	50,812	58,686
Other payables	4,487	5,023
	55,299	63,709
Non-current liabilities		
Borrowings from a related party	3,548	3,530
	58,847	67,239

Details of the aging analysis of trade payables are as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Within 90 days	18,078	13,022
Between 91 to 180 days	7,897	8,985
Between 181 to 365 day	11,761	19,340
Between 1 to 2 years	11,444	12,447
Over 2 years	1,632	4,892
	50,812	58,686

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

For the six months ended 30 September 2024 (the “**period under review**”), the international landscape has become more complicated and challenging than in previous years. The global economy was clouded with various uncertainties as Russia-Ukraine war raged on for more than two years with no ceasefire in sight, the Israeli-Palestinian war rekindled and continued to escalate, and the hostilities in the Middle East put the entire world at risk. Unilateralism of the Western powers also led to more unfair competition. The resulting financial, trade and technological restrictions, sanctions and suppressions have become increasingly severe, posing substantial obstacles to the economic development of the developing countries. The significantly volatile global markets, the intensified protectionism, and the increased uncertainties and unstable factors, have impacted China in terms of trade, investment, and finance areas, and resulted in sluggish growth momentum and heavy debt burden of the developing economies. Meanwhile, the mounting downward pressure of the domestic economy, fluctuating investment and consumption indicators, and intensifying competition among peers have led to zero growth in revenue and profitability, or even operational difficulties. Some sectors are exposed to debt risks.

Facing the complicated domestic and international environment, the Chinese government has consistently adhered to the general principle of “reform and opening up, pursuing progress while ensuring stability”, and devoted efforts to develop new quality productive forces, ensure people’s wellbeing, and prevent and defuse risks in key areas, so as to maintain overall social stability.

Guangzhou Global Link Communications Inc. (“**Guangzhou Global Link**”), a subsidiary of the Group, was mainly engaged in delivery of train information system products to the train manufacturers under the CRR Group pursuant to the relevant contracts during the period. The system products delivered during the period were mainly for the new metro lines under the “13th Five-Year Plan” of Guangzhou Metro, namely Guangzhou Metro Lines 10, 11 and 12. Such vehicles were manufactured by CRR Zhuzhou Locomotive Co., Ltd. and Guangzhou CRR Rail Transit Equipment Co., Ltd. respectively. Meanwhile, Guangzhou Global Link continued to carry out the overhaul of Wuhan Metro Line 2 and the renovation of Guangzhou Metro Lines 5 and 6, and also engaged in sales of spare parts to CRR Zhuzhou, CRR Tangshan and other enterprises, respectively.

The debugging and opening of new lines as well as the operation and maintenance services for those products within the warranty period remained important tasks for Guangzhou Global Link. The inputs of human resources and relevant spare parts accounted for a certain percentage of the operating expenses of the company, especially for the “Belt and Road” projects where the human resources and travel costs were higher than those of the domestic projects.

With the continuous progress in the technological innovation of the rail transit vehicle manufacturing industry chain, suppliers have invested various resources to develop new applications, new equipment and new systems, and technology empowerment is increasingly prevalent. The alternatives in the industry are leading to increasingly fierce market competition, which will affect the gross profit level of contracts similar to those of our Company.

During the period, the Central Economic Work Conference was held and relevant policies were intensively introduced by the functional departments of the Chinese government as well as the financial and monetary authorities. With the release of effects of the existing policies as well as the launch and implementation of new policies, the market expectations have improved significantly, which promoted the economic upturn and structural optimization in a solid way. Accordingly, a sustainable and positive development trend can be expected.

During the period, interest rates in Hong Kong remained at a high level. The high interest rates and the tightening bank lending have increased the operating burden of enterprises, thus affecting the business development of local enterprises. In particular, rising operating costs, high rental costs and outbound spending of Hong Kong citizens are the three major challenges for the small and medium-sized enterprises in Hong Kong. The contraction of the food and beverage retail sector and the new wave of business closures further highlighted the difficulties facing the Hong Kong economy. The Group’s customer relationship management (“**CRM**”) business was adversely affected by the weak economic recovery in Mainland China and the sluggish local business atmosphere. Varying degrees of transformation had been undergone in various sectors, which hindered the development of this business and resulted in a decline in CRM revenue during the period as compared to the Last Corresponding Period.

The Group expects that, the financing costs for various sectors will be reduced accordingly after the United States begins a cycle of interest rate cuts, and investors will be attracted to commit more resources to the industry, which will enable the industry to provide higher quality products and services, thereby stimulating customer spending. Meanwhile, the economic stimulus policies launched by the Chinese government have also boosted the economic development of the cities in the Greater Bay Area. All these favorable factors will help create more business opportunities in various sectors and drive the growth of Hong Kong's economy. The Group expects to explore opportunities amidst the varying degrees of transformation in various sectors, and secure the sustainable development of the Group's CRM business. The Group will actively participate in the commercial activities of various sectors, and provide a full range of quality services to its customers with a customer-centric approach. The Group aims to achieve more diversified development for its CRM business by flexible leveraging through the dual advantages of the Mainland and local markets.

Financial Review

For the six months ended 30 September 2024, the turnover of the Group amounted to approximately HK\$72,141,000, representing an increase of approximately 10% as compared with the Last Corresponding Period. Loss attributable to equity shareholders of the Company for the period was approximately HK\$480,000, representing a decrease of approximately 49% as compared to the loss of approximately HK\$935,000 for the Last Corresponding Period.

During the period under review, in terms of the rail transit business, Guangzhou Global Link was mainly engaged in the project delivery to the train manufacturers under CRRC pursuant to the signed supply contracts, including Guangzhou Metro Lines 10, 11 and 12, the overhaul of Wuhan Metro Line 2, the renovation of Guangzhou Metro Lines 5 and 6, as well as the delivery of spare parts and accessories to metro operators. The turnover from the rail transit business for the period amounted to approximately HK\$39,583,000 representing an increase of approximately 15% as compared to approximately HK\$34,568,000 for the Last Corresponding Period.

During the period under review, the CRM business grew slightly, which was mainly attributable to the business growth of Guangzhou Global Link Intelligent Information Technology Co., Ltd. (廣州國聯智慧信息技術有限公司), a subsidiary of the Group. The turnover from the CRM business for the period amounted to approximately HK\$32,558,000, representing an increase of approximately 4% as compared to approximately HK\$31,281,000 for the Last Corresponding Period.

Selling expenses for the period were approximately HK\$4,742,000, representing a decrease of 6% as compared to approximately HK\$5,066,000 for the Last Corresponding Period. The decrease was mainly due to the implementation of stricter budget management by Guangzhou Global Link Communications Inc., a subsidiary of the Group, during the period.

Administrative expenses amounted to approximately HK\$5,696,000, representing a decrease of approximately HK\$395,000 or approximately 6% as compared to approximately HK\$6,091,000 for the Last Corresponding Period.

Other operating expenses amounted to approximately HK\$377,000, representing an increase of approximately HK\$107,000 as compared to approximately HK\$270,000 for the Last Corresponding Period, which was mainly due to the increase in provision for after-sales repair and maintenance as a result of the increased turnover from rail transit business during the period.

Other income amounted to approximately HK\$1,948,000, representing a significant decrease from approximately HK\$4,078,000 for the Last Corresponding Period, which mainly due to the reversal of provision for accounts receivable of only approximately HK\$12,000 during the period, as compared to the reversal of approximately HK\$2,238,000 during the Last Corresponding Period.

USE OF PROCEEDS FROM THE SUBSCRIPTION COMPLETED ON 21 APRIL 2016

Honor Crest Holdings Limited, a direct wholly owned subsidiary of Goldstream Investment Limited (formerly known as International Elite Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 1328) completed the subscription of 1,000,000,000 shares of the Company on 21 April 2016. For details, please refer to the announcements of the Company dated 29 February 2016 and 21 April 2016 and the circular published by the Company dated 30 March 2016 (the “**2016 Circular**”).

The gross proceeds from the subscription were HK\$80.0 million. The net proceeds of the subscription, after deduction of expenses and professional fees, amounted to approximately HK\$79.0 million (the “**2016 Subscription Proceeds**”), amongst which approximately HK\$72.0 million had been utilised as at 30 September 2024. The breakdown of the Company’s actual use of the 2016 Subscription Proceeds as at 30 September 2024 is as follows:

	Proposed use of the 2016 Subscription Proceeds as disclosed in the 2016 Circular	Actual use of the 2016 Subscription Proceeds as at 30 September 2024	Remaining balance of the 2016 Subscription Proceeds as at 30 September 2024
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
The Company’s existing train information system solutions for urban rail transit business, mainly for the execution of the newly signed order contracts of a number of new lines projects in several cities in the PRC	30.0	30.0	0
The development of the “Smart City” project by using the Company’s existing CA-SIM technology, mainly for staff hiring, development of relevant management system platform and gradual roll out of the mobile apps and value-added services to target users	41.1	34.1	7.0
Working capital	7.9	7.9	0
Total	79.0	72.0	7.0

In view of the current industry trend and based on the best estimation of future market conditions made by the Group, it is expected that the Group will fully utilise the 2016 Subscription Proceeds by 31 March 2026. It will be subject to change based on the current and future development of market conditions. The Group will apply its financial resources, including but not limited to, funds from the 2016 Subscription Proceeds based on market conditions and opportunities.

There has been a delay in the expected timeline for the use of funds from the 2016 Subscription Proceeds allocated for the development of the “Smart City” project by using the Group’s existing Certificate Authority-SIM (CA-SIM) technology. The latest progress of the project is summarised below:

- (i) The Group previously disclosed that the Group decided to suspend further research and development efforts on the 5G network version of the CA-SIM products in the first half of the financial year 2023, taking into account that the additional costs associated with continuing the research and development work would be substantial therefore making the 5G network version less commercially feasible for the Group.
- (ii) The Group has continued to actively negotiate and discuss with the relevant government authorities in certain Southeastern Asian countries like Vietnam and Philippines for “Smart City” development business opportunities and pilot programme cooperation, the potential implementation and development of the Group’s “Smart City” projects will be primarily based on the Group’s existing 4G network compatible products, which are still the mainstream network specifications in those Southeastern Asian countries.
- (iii) The rate of capital expenditure in the “Smart City” project is reduced taking into account the suspension of R&D for the 5G network version of the CA-SIM products, and the cost of marketing new business opportunities and pilot programme cooperation is relatively low.

The Company will continue to work closely with local business partners in the development and implementation of the “Smart City” project and will update shareholders on further progress as and when appropriate.

The remaining balance of the unutilised 2016 Subscription Proceeds has been kept in the banks as deposits.

As at 30 September 2024, there is no plan to change the original intended use of the proceeds as disclosed in the 2016 Circular.

Capital structure

The Group carried out prudent financial policy, surplus cash is deposited in bank to finance operation and investments. Management will review financial forecast of the Group on a regular basis. As at 30 September 2024, the Group had a total time deposit, cash and bank balances, amounted to approximately HK\$84,842,000.

Employee information

As at 30 September 2024, the Group had 154 employees (2023: 175 employees), 145 and 9 of them are working in the PRC and Hong Kong, respectively. For the six months ended 30 September 2024, staff cost including Directors' remuneration was approximately HK\$9,848,000 (2023: approximately HK\$10,688,000).

Liquidity, financial resources and gearing ratio

As at 30 September 2024, the Group had net current assets of approximately HK\$82,337,000, of which approximately HK\$84,842,000 were time deposit, cash and bank balances. The Directors are confident that the Group's existing financial resources will be sufficient to satisfy its commitments and working capital requirements.

Gearing ratio is calculated as the net debt (being total liabilities less bank and cash balances) divided by the total capital. As at 30 September 2024, the Group had time deposit, cash and cash equivalents of approximately HK\$84,842,000. As at 30 September 2024, the Group had total borrowings of approximately HK\$5,953,000, and the total equity attributable to equity shareholders of the Company was approximately HK\$79,868,000, therefore, the gearing ratio of the Group was negative, hence the Group' the gearing ratio was not applicable (2023: Not applicable).

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 September 2024.

Save as disclosed hereof, the information in relation to those matters set out in Rule 18.41 of the GEM Listing Rules has not changed materially from the information disclosed in the most recent published annual report of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, so far is known to the Directors, the interests of the Directors and the chief executives of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors and chief executives, if any, were as follows:

Name of Director	Company/name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Ma Yuanguang	Company	Beneficial owner	1,055,600 ordinary Shares Long position	0.32%
Li Kin Shing ⁽¹⁾	Company	Beneficial owner	164,877,714 ordinary Shares Long position	50.52%
		Interest of corporation controlled by the director	25,465,320 ordinary Shares Long position	7.80%
		Interest of the spouse	38,749,356 ordinary Shares Long position	11.87%
Wong Kin Wa	Company	Beneficial owner	186,150 ordinary Shares Long position	0.06%

Note:

- (1) Mr. Li Kin Shing ("Mr. Li") is personally interested in 164,877,714 Shares. Ms. Kwok King Wa ("Ms. Kwok") is personally interested in 38,749,356 Shares. Mr. Li is the spouse of Ms. Kwok. Accordingly, Mr. Li is deemed to be interested in his spouse's shareholding under the SFO. Furthermore, Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively, is interested in 25,465,320 Shares. Therefore, Mr. Li is also deemed to be interested in the Shares held by Ever Prosper International Limited under the SFO.

Save as disclosed above, as at 30 September 2024, so far as is known to the Directors, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, so far as is known to the Directors, the following person (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Interests in ordinary shares of the Company – long position

Name	Capacity	Number of securities	Approximate percentage of shareholding
Kwok King Wa ⁽¹⁾	Beneficial owner	38,749,356	11.87%
	Interest of the spouse	164,877,714	50.52%
	Interest of corporation controlled by her	25,465,320	7.80%
Ever Prosper International Limited ⁽²⁾	Beneficial owner	25,465,320	7.80%

Notes:

- (1) Ms. Kwok is personally interested in 38,749,356 Shares. Mr. Li is personally interested in 164,877,714 Shares. Mr. Li is the spouse of Ms. Kwok. Accordingly, Ms. Kwok is deemed to be interested in her spouse's shareholding under the SFO. Furthermore, Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively, is interested in 25,465,320 Shares. Therefore, Ms. Kwok is also deemed to be interested in the Shares held by Ever Prosper International Limited under the SFO.
- (2) The 25,465,320 Shares are held by Ever Prosper International Limited, which is held as to 50% and 46.5% by Mr. Li and Ms. Kwok respectively. Mr. Li is the spouse of Ms. Kwok.

Save as disclosed above, as at 30 September 2024, so far as is known to the Directors, there was no person who had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group, or any options in respect of such capital.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company applied the principles and complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules throughout the period under review.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) has interest in any business that competes or may compete, either directly or indirectly, with the business of the Group, or has any other conflict of interests with the Group as at the date of the announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group had purchased, sold or redeemed any of the shares of the Company during the period under review.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises of three members, namely Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Ms. Leung Hoi Ning, all being independent non-executive Directors. The Group's unaudited results for the six months ended 30 September 2024 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards, the relevant legal and regulatory requirements, and that adequate disclosures have been made.

The audit committee further reviewed the Company's internal control and risk management system and is of the view that the internal control and risk management in place are effective and adequate for the Group as a whole.

By order of the Board

Li Kin Shing

Chairman

Hong Kong, 27 November 2024

As at the date of this report, the executive Directors are Mr. Li Kin Shing, Mr. Ma Yuanguang, and Mr. Wong Kin Wa; and the independent non-executive Directors are Mr. Leung Kwok Keung, Mr. Cheung Sai Ming and Ms. Leung Hoi Ning.