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Excalibur Global Financial Holdings Limited

駿溢環球金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Excalibur Global Financial Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 Interim Report of the Company (the “**Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of interim results. The printed version of the Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner as required by the GEM Listing Rules.

By Order of the Board
Excalibur Global Financial Holdings Limited
Poon Kwok Wah Allan
Chairman

Hong Kong, 14 August 2023

As at the date of this announcement, the executive Directors are Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer; and the independent non-executive Directors are Mr. Chin Kam Cheung, Mr. Siu Miu Man, M.H. and Mr. Lam Ka Tai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Announcements” page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at www.excalibur.com.hk.

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “**Directors**”) of Excalibur Global Financial Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Poon Kwok Wah Allan
(Chairman and Chief Executive Officer)
Ms. Lee Mei Chun
Ms. Choi Ching Jennifer

Independent Non-executive Directors

Mr. Chin Kam Cheung
Mr. Siu Miu Man, M. H.
Mr. Lam Ka Tai

COMPANY SECRETARY

Mr. Lo Wai Hang

AUTHORISED REPRESENTATIVES

Mr. Poon Kwok Wah Allan
Ms. Choi Ching Jennifer

MEMBERS OF AUDIT COMMITTEE

Mr. Chin Kam Cheung *(Chairman)*
Mr. Siu Miu Man, M. H.
Mr. Lam Ka Tai

MEMBERS OF REMUNERATION COMMITTEE

Mr. Lam Ka Tai *(Chairman)*
Mr. Siu Miu Man, M. H.
Mr. Chin Kam Cheung

MEMBERS OF NOMINATION COMMITTEE

Mr. Poon Kwok Wah Allan *(Chairman)*
Mr. Lam Ka Tai
Mr. Siu Miu Man, M. H.

MEMBERS OF RISK MANAGEMENT COMMITTEE

Mr. Siu Miu Man, M. H. *(Chairman)*
Mr. Poon Kwok Wah Allan
Ms. Lee Mei Chun

AUDITOR

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity
Auditors
8/F Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications
Company Limited

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
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Hong Kong
Tel: (852) 2980-1333
Fax: (852) 2810-8185

STOCK CODE

8350

WEBSITE

<http://www.excalibur.com.hk>

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	5	8,791	1,678	10,262	3,241
Other income and net gain	6	28	225	50	205
Reversal of impairment loss on loan and interest receivables		470	–	697	–
Salaries and other benefits	7(a)	(1,529)	(1,492)	(3,082)	(3,017)
Other operating and administrative expenses	7(b)	(2,297)	(2,350)	(3,915)	(6,423)
Finance costs	7(c)	(448)	(726)	(976)	(962)
Profit (loss) before tax	7	5,015	(2,665)	3,036	(6,956)
Income tax (expense) credit	8	(1,075)	377	(787)	934
Profit (loss) for the period and total comprehensive income (loss) for the period		3,940	(2,288)	2,249	(6,022)
Attributable to:					
Equity shareholders of the Company		3,940	(2,288)	2,249	(6,022)
Total comprehensive income (loss) for the period		3,940	(2,288)	2,249	(6,022)
Earnings (losses) per share					
Basic and diluted (cents)	9	0.49	(0.29)	0.28	(0.75)

The Group had no components of comprehensive income (loss) other than “profit (loss) for the period” in either of the periods presented. Accordingly, the Group’s “total comprehensive income (loss)” was the same as the “profit (loss) for the period” in both periods.

The notes on pages 10 to 29 form part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Unaudited)
	Notes		
Non-current assets			
Property and equipment	10	39	–
Right-of-use assets	10	129	174
Statutory deposits	11	5,040	5,042
Deferred tax assets		8,697	9,406
Loan and interest receivables	14	1,627	1,550
		15,532	16,172
Current assets			
Accounts receivables arising from ordinary course of business	12	23,618	16,766
Prepayments and other receivables	13	1,366	1,070
Loan and interest receivables	14	12,498	26,263
Cash and cash equivalents	15(a)	5,120	5,861
		42,602	49,960
Current liabilities			
Accounts payables arising from ordinary course of business	16	11,513	11,834
Other payables and accruals	17	2,367	2,036
Lease liabilities		2,004	1,937
Bank borrowing	18	–	9,400
Tax payables		246	167
		16,130	25,374
Net current assets		26,472	24,586
Total assets less current liabilities		42,004	40,758
Non-current liabilities			
Lease liabilities		1,011	2,014
Notes payables	19	40,000	40,000
		41,011	42,014
NET ASSETS (LIABILITIES)		993	(1,256)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

		At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Unaudited)
CAPITAL AND RESERVES			
Share capital	20(b)	8,000	8,000
Share premium		68,009	68,009
Accumulated losses	20(c)	(72,217)	(74,466)
Other reserves	20(d)	(2,799)	(2,799)
TOTAL EQUITY (DEFICIT)		993	(1,256)

Approved and authorised for issue by the board of directors on 14 August 2023.

Poon Kwok Wah Allan

Choi Ching Jennifer

Directors

The notes on pages 10 to 29 form part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to equity shareholders of the Company				Total equity (deficit) HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Other reserves HK\$'000	
Balance at 1 January 2022 (Audited)	8,000	68,009	(61,726)	(2,799)	11,484
Changes in equity for the six months ended 30 June 2022:					
Loss and total comprehensive loss for the period	-	-	(6,022)	-	(6,022)
Balance at 30 June 2022 and 1 July 2022 (Unaudited)	8,000	68,009	(67,748)	(2,799)	5,462
Changes in equity for the six months ended 31 December 2022:					
Loss and total comprehensive loss for the period	-	-	(6,718)	-	(6,718)
Balance at 31 December 2022 (Audited)	8,000	68,009	(74,466)	(2,799)	(1,256)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2023

	Attributable to equity shareholders of the Company				Total (deficit) equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Other reserves HK\$'000	
Balance at 1 January 2023 (Audited)	8,000	68,009	(74,466)	(2,799)	(1,256)
Changes in equity for the six months ended 30 June 2023:					
Profit and total comprehensive income for the period	-	-	2,249	-	2,249
Balance at 30 June 2023 (Unaudited)	8,000	68,009	(72,217)	(2,799)	993

The notes on pages 10 to 29 form part of these financial statements.

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Operating activities			
Cash generated from (used in) operations	15(b)	9,929	(35,554)
Income tax paid		–	–
Net cash generated from (used in) operating activities		9,929	(35,554)
Investing activities			
Interest received		51	–
Purchases of property and equipment		(47)	(37)
Net cash generated from (used in) investing activities		4	(37)
Financing activities			
Repayment of borrowing		(9,400)	–
Proceed from issue of notes		–	40,000
Repayment of lease liabilities		(1,084)	(1,286)
Interest paid		(229)	(233)
Net cash (used in) generated from financing activities		(10,713)	38,481
Net (decrease) increase in cash and cash equivalents		(780)	2,890
Cash and cash equivalents at 1 January		5,861	5,637
Effects of foreign exchange rate changes		39	(187)
Cash and cash equivalents at 30 June	15(a)	5,120	8,340

The notes on pages 10 to 29 form part of these financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 GENERAL

Excalibur Global Financial Holdings Limited (the “**Company**”) was incorporated in Cayman Islands on 13 July 2016 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. Its ultimate controlling parties are Mr. Poon Kwok Wah Allan, who is also the Chairman and Chief Executive Officer of the Company and Mr. Chan Ying Leung. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report.

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

2 BASIS OF PREPARATION

This unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**” or “**SEHK**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 14 August 2023.

The unaudited interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2022 annual consolidated financial statements, expect for the accounting policy changes that are expected to be reflected in the 2023 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

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

The unaudited interim financial statements contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual consolidated financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

3 CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International tax reform – Pillar Two Model Rule

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

4 SEGMENT REPORTING

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form any of the following reportable segments.

Brokerage and margin financing	- Provision of brokerage services and securities and initial public offering financing service and provision of equity and debt securities placing services
Money lending	- Provision of money lending service
Advisory service	- Provision of investment advisory services (new operating and reportable segment by the chief operating decision-maker ("CODM") during the six months ended 30 June 2023)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

4 SEGMENT REPORTING (continued)

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the revenue, results, assets and liabilities attributable to each reportable segment on the following bases:

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned or the loss incurred by each segment without allocation of corporate income and central administrative costs. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

No segment assets and liabilities are presented as the information is not regularly reported to the CODM for the purpose of resource allocation and assessment of performance.

(a) Business segments

For the six months ended 30 June 2023 (unaudited)

	Brokerage and margin financing HK\$'000	Money lending HK\$'000	Advisory service HK\$'000	Total HK\$'000
Segment revenue ¹	7,020	1,423	1,819	10,262
Segment results ²	4,652	1,548	1,507	7,707

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

4 SEGMENT REPORTING (continued)

(a) Business segments (continued)

For the six months ended 30 June 2022 (unaudited)

	Brokerage and margin financing HK\$'000	Money lending HK\$'000	Total HK\$'000
Segment revenue ¹	2,109	1,132	3,241
Segment results ²	316	883	1,199

Notes:

- 1 Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both periods.
- 2 The accounting policies of the operating segments are same as the Group's accounting policies described in Note 2 to the unaudited interim financial statements.

(b) Reconciliation of reportable business segments

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Reportable segment profit	7,707	1,199
Unallocated corporate income	50	205
Unallocated corporate expenses	(4,721)	(8,360)
Profit (loss) before tax	3,036	(6,956)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

4 SEGMENT REPORTING (continued)

(c) Geographical segment information

All of the revenue from external customers of the Group are derived from activities or located in Hong Kong. Accordingly, no geographical information is presented.

(d) Information about major customers

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Customer A ¹	5,441	N/A ³
Customer B ²	1,819	N/A ³

Notes:

- 1 Revenue from provision of equity and debt securities placing service.
- 2 Revenue from provision of investment advisory service.
- 3 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

5 REVENUE

The principal activities of the Group are (i) futures and options, stock options and securities broking and margin financing business and provision of equity and debt securities placing service; (ii) money lending business; and (iii) provision of investment advisory services.

Revenue represents the brokerage commission from futures and options, stock options and securities broking, interest income arising from margin and loan receivables and also the fee received for provision of placing services and investment advisory services.

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Brokerage commission income derived from:				
Futures and options trading business				
– Hong Kong market	275	496	595	1,161
– Overseas markets	114	165	224	494
Stock options trading business	46	64	97	158
Securities trading business	33	38	45	72
Revenue from contracts with customers	460	763	961	1,885
Interest income under effective interest method derived from:				
– Margin financing	126	114	248	224
– Money lending business	567	801	1,423	1,132
Interest rebate from introducing brokers	370	–	370	–
Commission income for the provision of placing service	5,441	–	5,441	–
Fee income for the provision of investment advisory service	1,819	–	1,819	–
	8,791	1,678	10,262	3,241

6 OTHER INCOME AND NET GAIN

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Exchange loss, net	(13)	(28)	(24)	(70)
Interest income	29	–	51	–
Government grants	–	192	–	192
Sundry income	12	61	23	83
	28	225	50	205

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

7 PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax is arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(a) Staff costs				
Directors' fee	285	285	570	570
Salaries, allowances and benefits in kind	1,187	1,147	2,396	2,333
Retirement scheme contributions	57	60	116	114
	1,529	1,492	3,082	3,017
(b) Other operating and administrative expenses				
IT and communication expenses	826	923	1,621	1,745
Marketing expenses	1	3	1	4
Legal and professional fees	756	242	1,015	539
Depreciation of right-of-use assets	1	457	45	1,220
Short-term operating lease expense in respect of rented premises	87	85	176	227
Commission expenses	79	197	174	510
Auditors' remuneration	175	137	296	242
Depreciation of property and equipment	8	36	8	81
Relocation costs for office	-	-	-	789
Notes issuance costs	-	-	-	400
Other expenses	364	270	579	666
	2,297	2,350	3,915	6,423
(c) Finance costs				
Finance costs on				
- Lease liabilities	68	120	147	229
- Bank borrowing	80	106	229	233
- Notes payables	300	500	600	500
	448	726	976	962

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

8 INCOME TAX (EXPENSE) CREDIT

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax				
Hong Kong	(79)	–	(79)	–
Deferred tax movement				
Tax losses	(996)	377	(708)	934
Total income tax (expense) credit	(1,075)	377	(787)	934

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 June 2023. No provision for taxation in Hong Kong has been made for the six months ended 30 June 2022 as the Group did not generate any assessable profits arising in Hong Kong.

For the six months ended 30 June 2023, Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both periods.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

9 EARNINGS (LOSSES) PER SHARE

The calculation of the basic earnings per share for the three months and the six months ended 30 June 2023 is based on the earnings for the period attributable to ordinary equity shareholders of the Company of HK\$3,940,000 and HK\$2,249,000, and the weighted average number of ordinary shares of 800,000,000 in issue during the respective periods.

The calculation of the basic losses per share for the three months and the six months ended 30 June 2022 is based on the losses for the period attributable to ordinary equity shareholders of the Company of HK\$2,288,000 and HK\$6,022,000, and the weighted average number of ordinary shares of 800,000,000 in issue during the respective periods.

No potential ordinary shares in issue during the three months and six months ended 30 June 2023 and 2022, so no adjustment has been made to basic earnings (losses) per share amounts.

10 MOVEMENT IN PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group acquired property and equipment amounted HK\$47,000 (six months ended 30 June 2022: HK\$37,000).

During the current interim period, no additions to the right-of-use assets were recorded (six months ended 30 June 2022: HK\$nil).

11 STATUTORY DEPOSITS

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Deposits with		
– HKFE Clearing Corporation Limited (“HKCC”)	3,500	3,500
– SEHK Options Clearing House Limited (“SEOCH”)	1,540	1,542
	5,040	5,042

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

12 ACCOUNTS RECEIVABLES ARISING FROM ORDINARY COURSE OF BUSINESS

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Accounts receivables – contract with customers		
– Cash clients	499	128
– Clearing houses	3,891	3,527
– Overseas brokers	7,367	8,223
	11,757	11,878
Accounts receivables from margin clients	5,136	4,888
Accounts receivables from clients for provision of equity and debt securities placing and investment advisory services	6,725	–
	23,618	16,766

Aging analysis

The aging analysis of accounts receivables that are neither individually nor collectively considered to be impaired are as follows:

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Current (not past due)	23,618	16,766

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

13 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Prepayments	444	148
Rental and other deposits	922	922
	1,366	1,070

Except for rental and management fee deposits, all of the prepayments, deposits and receivables are expected to be recovered or recognised as expenses within one year.

14 LOAN AND INTEREST RECEIVABLES

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Fixed-rate loan and interest receivables		
– Secured	2,357	3,696
– Unsecured	12,512	25,558
	14,869	29,254
Less: Allowance for credit losses	(744)	(1,441)
	14,125	27,813
Analysed as:		
Non-current assets	1,627	1,550
Current assets	12,498	26,263
	14,125	27,813

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

14 LOAN AND INTEREST RECEIVABLES (continued)

As at 30 June 2023, included in the Group's loan and interest receivables are debtors with aggregate carrying amount of HK\$328,000 (31 December 2022: HK\$137,000) which are past due as at the reporting date.

Included in the carrying amount of loan and interest receivables as at 30 June 2023 is accumulated impairment losses of HK\$744,000 (31 December 2022: HK\$1,441,000).

As at 30 June 2023, the carrying amount of loan and interest receivables amounting to HK\$2,357,000 (31 December 2022: HK\$3,696,000) are pledged with collaterals such as properties. The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. There has not been any significant changes in the quality of the collateral held for the loan and interest receivables. The Group has not recognised a loss allowance for the loan and interest receivables as a result of these collaterals.

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

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Loan and interest receivables:		
– On demand or within one year	13,241	27,704
– Within a period of more than one year but not exceeding two years	1,230	1,055
– Within a period of more than two years but not exceeding five years	397	495
	14,869	29,254

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

15 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Cash at banks and on hand	5,120	5,861

The Group maintains segregated accounts with authorised institutions as a result of its normal business transactions. At 30 June 2023, segregated accounts not otherwise dealt with in these accounts amounted to HK\$26,872,000 (31 December 2022: HK\$28,171,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

15 CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of profit (loss) before taxation to net cash generated from (used in) operating activities:

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Operating activities			
Profit (loss) before tax		3,036	(6,956)
Adjustments for:			
Interest income	6	(51)	–
Finance costs	7(c)	976	962
Reversal of impairment loss on loan and interest receivables		(697)	–
Depreciation of property and equipment	7(b)	8	81
Depreciation of right-of-use assets	7(b)	45	1,220
Foreign exchange loss	6	24	70
Operating cash flows before movements in working capital		3,341	(4,623)
Decrease (increase) in statutory deposits		2	(6)
(Increase) decrease in accounts receivables arising from ordinary course of business		(6,818)	5,526
Decrease in prepayments and other receivables		401	1,341
Decrease (increase) of loan and interest receivables		13,689	(31,142)
Decrease in accounts payables arising from ordinary course of business		(418)	(6,064)
Decrease in other payables and accruals		(268)	(586)
Cash generated from (used in) operations		9,929	(35,554)
Income tax paid		–	–
Net cash generated from (used in) operating activities		9,929	(35,554)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

16 ACCOUNTS PAYABLES ARISING FROM ORDINARY COURSE OF BUSINESS

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Accounts payable		
– Clearing houses	498	128
– Cash clients	11,015	11,706
	11,513	11,834

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

All of the accounts payable are repayable on demand.

17 OTHER PAYABLES AND ACCRUALS

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Accrued interest for notes payables	1,700	1,100
Other payables and accruals	667	936
	2,367	2,036

Other payables and accruals are unsecured and are expected to be settled within one year.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

18 BANK BORROWING

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Secured loan		
– Bank borrowing	–	9,400

The Group has fully settled the bank borrowing during the six months ended 30 June 2023 and no bank borrowing was recorded as at 30 June 2023.

As at 31 December 2022, the bank borrowing was secured by i) a promissory note undersigned by the Group in the amount of HK\$11,000,000; ii) personal guarantee by one of the Directors, Ms. Choi Ching, Jennifer (“**Ms. Choi**”); and iii) securities account which held by a related company, in which the shareholder is Ms. Choi. The marketing value of the pledged securities account should not less than HK\$10.5 million throughout the continuance of the bank borrowing and/or as long as the bank borrowing is outstanding.

During the year ended 31 December 2022, the Group breached with the financial covenant as the market value of the pledged securities accounts was less than HK\$10.5 million during the year ended 31 December 2022. A waiver letter is obtained from the lender to rectify the waiving of the requirement of the market value of the pledged securities account and confirm that no breach of any events of default of the loan agreement as at 31 December 2022. In any event, should the lender call for immediate repayment of the loan, the Directors believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

As at 30 June 2023, the Group has available undrawn borrowing facilities of HK\$10,000,000 (31 December 2022: HK\$600,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

19 NOTES PAYABLES

	At 30 June 2023 HK\$'000 (Unaudited)	At 31 December 2022 HK\$'000 (Audited)
Notes payables	40,000	40,000

On 28 January 2022, the Company entered into a placing agreement with Well Link Securities Limited, a placing agent, to procure placees to subscribe in cash for the notes with an aggregate principal amount of up to HK\$40 million (the "Notes"). The Company has completed the issuance of the Notes to the placees in an aggregate principal amount of HK\$40,000,000 on 31 January 2022. The Notes are unsecured, bear interest at 3% per annum, payable annually in arrears and will be matured on the third anniversary date (i.e. 30 January 2025) of the issuance of the Notes.

The Notes are denominated in HK\$.

20 SHARE CAPITAL AND RESERVES

(a) Authorised share capital

The authorised ordinary share capital of the Company at 30 June 2023 and 31 December 2022 was HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each.

(b) Issued share capital

A summary of movements of issued share capital of the Company is as follows:

	No. of shares '000	Share capital HK\$'000
Ordinary shares, issued and fully paid:		
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	800,000	8,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

20 SHARE CAPITAL AND RESERVES (continued)

(c) Accumulated losses are accumulated losses since incorporation, which included a gain on bargain purchase of HK\$9,223,000 recognised as a result of the acquisition of 80% of shares of New Century Excalibur Holdings Limited ("**New Century**") on 19 October 2012.

(d) Other reserves

On 9 July 2015, the Group further acquired 16% of the issued share capital of New Century, at a consideration of HK\$4,000,000, resulting in a gain of HK\$2,062,000 recognised in other reserves.

On 12 October 2017, the Group further acquired the 4.00002% of New Century. New Century then became a wholly-owned subsidiary of the Group. The non-controlling interest of HK\$1,139,000 as at that date was transferred to other reserves.

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value

Fair value hierarchy

HKFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2022: HK\$nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONTINUED)

22 MATERIAL RELATED PARTY TRANSACTIONS

Directors' remuneration are as follows:

	Six months ended	
	30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' fees	570	570
Salaries, allowances and benefits in kind	438	438
Retirement scheme contributions	34	34
	1,042	1,042

23 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2023, the directors consider the ultimate controlling shareholders of the Company to be Mr. Poon Kwok Wah Allan and Mr. Chan Ying Leung.

24 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

There are no event between the reporting date and the authorisation of the financial statements requiring disclosure.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group revenue increased sharply by approximately 216.6% from approximately HK\$3.2 million for the six months ended 30 June 2022 to approximately HK\$10.3 million for the six months ended 30 June 2023 (the “**Period**”). Such surge in revenue was mainly attributed to the Group’s effort to explore more revenue streams beyond the brokerage business and money lending business. During the six months ended 30 June 2023, the Group expanded to offer equity and debt securities placing services and investment advisory services. During the Period, the Group has completed several placing activities for the listed and unlisted clients for equity and debt securities placing. Approximately HK\$7.3 million of revenue were generated from these two new business streams. The management believes that the business is very promising and could continue to bring significant revenue to the Group in the coming quarters. The management will continue to explore more business opportunities besides brokerage business to bring value to the shareholders of the Company.

During the Period, the Group recorded other income and net gain amounted to approximately HK\$50,000, representing a decrease of approximately HK\$155,000 compared to approximately HK\$205,000 during the six months ended 30 June 2022. Such a decrease was mainly due to the one-off subsidies from the Government of the Hong Kong Special Administrative Region (the “**Government of HKSAR**”) of approximately HK\$132,000 during the six months ended 30 June 2022.

Salaries and other benefits expenses remain stable from approximately HK\$3.0 million for the six months ended 30 June 2022 to approximately HK\$3.1 million for the Period as both the salary level and the headcount of the Group is stable.

Other operating and administrative expenses decreased from approximately HK\$6.4 million for the six months ended 30 June 2022 to approximately HK\$3.9 million for the Period, which was mainly due to the decrease in depreciation expense of right-of-use assets by approximately HK\$1.2 million as most of the carrying amount of right-of-use assets has been impaired in 2022 and decrease of one-off relocation cost of office incurred in the six months ended 30 June 2022.

As a result of the foregoing, the Group recorded a net profit for the Period of approximately HK\$2.2 million, as compared to a net loss of approximately HK\$6.0 million for the corresponding period in 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in brokerage business and money lending business. During the Period, to expand the business and improve its financial performance, the Group has engaged in providing equity and debt securities placing services and investment advisory services. With the long establishment in the financial sector and experience in the brokerage business, the Group could attract several clients for the services offered. Approximately HK\$5.4 million and approximately HK\$1.8 million were generated from these two new business streams respectively. The management is optimistic about the results and believes that these new businesses could bring further revenue in the second half of 2023.

For the brokerage business, the revenue continued to decline and decreased by approximately 49% compared to the six months ended 30 June 2022. The Group is currently in discussion with several potential Broker Clients and offers brokerage services for futures and options products. The first launch of the trading services to these Broker Clients will be by late 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's principal source of funds was cash generated from operations accumulated over the previous years, the IPO proceeds obtained in January 2018, bank borrowings, and notes payables. The Group recorded net current assets and working capital of approximately HK\$26.5 million as at 30 June 2023, compared to approximately HK\$24.6 million as at 31 December 2022. Such an increase was mainly attributed to the profit recognised during the Period. As at 30 June 2023, the Group had cash and cash equivalents of approximately HK\$5.1 million (31 December 2022: approximately HK\$5.9 million). The management will continue to follow a prudent treasury policy in managing its cash balance and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities of the business.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

CAPITAL STRUCTURE

The Group's operations were financed by shareholders' equity, bank borrowings, and the notes payables. After the repayment of bank borrowing during the Period, there was no bank borrowing for the Group as at 30 June 2023 (31 December 2022: HK\$9.4 million). The Group had notes payables of HK\$40.0 million as at 30 June 2023 (31 December 2022: HK\$40.0 million) which bore fixed interest rates and payable beyond one year from the end of the Period. For the licensed subsidiary, the Group ensures the subsidiary maintains liquidity adequate to support the level of activities with a sufficient buffer to accommodate potential increases in the level of business activities. During the Period, the licensed subsidiary has complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules ("FRR").

FOREIGN CURRENCY RISK EXPOSURE

The Group's transactions for the six months ended 30 June 2023 were mainly denominated in Hong Kong dollars and United States dollars. As the Hong Kong dollars is pegged to the United States dollars, no significant exposure to the currency risk is expected by the management. As the management expected that the foreign currency risk is low, the Group currently does not have a foreign currency hedging policy.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the section headed "Management Discussion and Analysis" in this interim report, the Group did not have other future plans for material investment or capital assets.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2023, the Group did not have any significant investment, material acquisition and disposal of subsidiaries.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: HK\$nil).

OTHER INFORMATION

DIVIDENDS

The Board of Directors did not declare the payment of dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$nil per share).

THE SALES AND PURCHASE AGREEMENT ENTERED INTO BY CONTROLLING SHAREHOLDERS

On 26 June 2023 (after trading hours), the Company was informed that, Mr. Poon Kwok Wah Allan (Executive Director of the Company) and Mr. Chan Ying Leung (collectively, the “**Vendors**”) and Well Link Fintech Holdings Limited (the “**Offeror**”) (a company beneficially owned by Mr. Xu Chujia and Ms. Zhan Meiqing) entered into the sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which the Offeror conditionally agreed to acquire from the Vendors and the Vendors conditionally agreed to sell to the Offeror an aggregate of 559,504,000 shares (the “**Sale Shares**”), representing approximately 69.94% of the total issued share capital of the Company as at the 26 June 2023, for a total cash consideration of HK\$37,000,000 (equivalent to approximately HK\$0.0661 per Sale Share), which is to be fully settled in cash upon completion.

The completion is conditional upon all the conditions being fulfilled or waived (as the case may be) as set out in the Sale and Purchase Agreement. As at 30 June 2023 and up to the date of the report, all of the conditions have not been satisfied.

For details, please refer to the announcements jointly issued by the Offeror and the Company dated 26 June 2023 and 18 July 2023.

EVENT AFTER THE REPORTING PERIOD

After the reporting period and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors.

OTHER INFORMATION (CONTINUED)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by Directors were as follows:

Long Position in the Shares of the Company

Name of Directors	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company
Mr. Poon Kwok Wah Allan (Notes 3 and 4)	Beneficial owner; interest held jointly with another person	559,504,000 (L)	69.94%

OTHER INFORMATION (CONTINUED)

Notes:

1. The letter "L" denotes long position of shares.
2. The total number of the issued shares of the Company as at the date of this report was 800,000,000.
3. On 27 October 2017, Mr. Poon Kwok Wah Allan and Mr. Chan Ying Leung (the "**Controlling Shareholders**") entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, amongst other things, that they are parties acting in concert in respect of each of the members of the Company. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders is deemed to be interested in 69.94% of the issued share capital of the Company.
4. 559,504,000 shares in which Mr. Poon Kwok Wah Allan is interested consist of (i) 271,504,060 shares held by him; and (ii) 287,999,940 shares in which Mr. Chan Ying Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Poon Kwok Wah Allan.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by directors.

OTHER INFORMATION (CONTINUED)

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

So far as known to the Directors, as at 30 June 2023, the following persons had or were deemed to have interests in shares or underlying shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

Long Position in the Shares and underlying Shares of the Company

Name of shareholders	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company
Mr. Poon Kwok Wah Allan (Notes 3 and 4)	Beneficial owner; interest held jointly with another person	559,504,000 (L)	69.94%
Mr. Chan Ying Leung (Notes 3 and 5)	Beneficial owner; interest held jointly with another person	559,504,000 (L)	69.94%

Notes:

1. The letter "L" denotes long position of shares.
2. The total number of the issued shares of the Company as at the date of this report was 800,000,000.
3. On 27 October 2017, the Controlling Shareholders entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, amongst other things, that they are parties acting in concert in respect of each of the members of the Company. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders is deemed to be interested in 69.94% of the issued share capital of the Company.

OTHER INFORMATION (CONTINUED)

4. 559,504,000 shares in which Mr. Poon Kwok Wah Allan is interested consist of (i) 271,504,060 shares held by him; and (ii) 287,999,940 shares in which Mr. Chan Ying Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Poon Kwok Wah Allan.
5. 559,504,000 shares in which Mr. Chan Ying Leung is interested consist of (i) 287,999,940 shares held by him; and (ii) 271,504,060 shares in which Mr. Poon Kwok Wah Allan is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan Ying Leung.

Save as disclosed above, as at 30 June 2023, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 19 December 2017 (the “Scheme”) as approved by a written resolution of all shareholders of the Company passed on 19 December 2017. No share option has been granted under the Scheme since its adoption and up to the date of this interim report.

DIRECTORS’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the paragraph headed “Share Option Scheme” in this report, at no time during the six months ended 30 June 2023 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION (CONTINUED)

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2023, none of the Directors or the Controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

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

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

During the six months ended 30 June 2023, the Company has complied with the applicable code provisions as set out in the CG Code except for the deviation from code provision C.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

OTHER INFORMATION (CONTINUED)

Mr. Poon Kwok Wah Allan is the Chairman and the Chief Executive Officer of the Company and is responsible for the overall strategic planning, business development and operational management of the Group. In view of Mr. Poon Kwok Wah Allan joined the Group in September 2000 as the general manager of Excalibur Global Financial Group Limited (駿溢環球金融集團有限公司), (formerly known as Home Great Investment Limited (亨偉投資有限公司), Excalibur Futures Limited (加利保期貨有限公司), and Excalibur Futures Limited (駿溢期貨有限公司)), the key operating subsidiary of the Company, the Board believes that it is in the best interest of the Group to have Mr. Poon Kwok Wah Allan to take up both roles for effective management and business development of the Group. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Required Standard of Dealings as the code for securities transactions by the Directors on the guidelines as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the six months ended 30 June 2023.

The Company has also adopted written guidelines as the code for securities transactions by relevant employees of the Group who are likely to possess inside information in relation to the Company or its securities based on the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. No incidence of non-compliance of this code by the relevant employees was noted by the Company.

OTHER INFORMATION (CONTINUED)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2023.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are to review the Company’s annual report and accounts, interim report and quarterly reports and to provide advices and comments thereon to the Board. The Audit Committee will also be responsible for reviewing and supervising the Company’s financial reporting, risk management and internal control systems. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chin Kam Cheung (chairman of the Audit Committee), Mr. Lam Ka Tai and Mr. Siu Miu Man, M.H.. Mr. Chin Kam Cheung possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules.

The Group’s unaudited results for the six months ended 30 June 2023 have been reviewed by the Audit Committee which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

By order of the Board
Excalibur Global Financial Holdings Limited
Poon Kwok Wah Allan
Chairman

Hong Kong, 14 August 2023