

KINGWISOFT TECHNOLOGY GROUP COMPANY LIMITED 金慧科技集團股份有限公司

(formerly known as ZZ Technology Group Company Limited)

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 08295



2023

INTERIM REPORT



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This report, for which the directors (the “Directors”) of Kingwisoft Technology Group Company Limited 金慧科技集團股份有限公司 (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.

Highlights

- The Group recorded a revenue of approximately RMB573.4 million for the Interim Period 2023 (2022: approximately RMB398.5 million (restated)), representing 43.9% increase as compared to that of the corresponding period in 2022.
- Profit attributable to owners of the Company for the Interim Period 2023 was approximately RMB11.5 million as compared to that of approximately RMB34.9 million recorded for the corresponding period in 2022.
- Basic earnings per share for the Interim Period 2023 was approximately RMB0.24 cents (2022: approximately RMB0.80 cents).
- Total assets as at 30 September 2023 was approximately RMB1,483.7 million (31 March 2023: approximately RMB1,492.8 million). Net assets value as at 30 September 2023 was approximately RMB1,036.0 million (31 March 2023: approximately RMB1,025.9 million).
- The Board does not recommend payment of an interim dividend for the Interim Period 2023 (2022: Nil).

Condensed Consolidated Statement of Profit Or Loss and Other Comprehensive Income

For the three months and six months ended 30 September 2023

The board (the “Board”) of directors (the “Directors”) of Kingwisoft Technology Group Company Limited 金慧科技集團股份有限公司 (the “Company”) is pleased to present the condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 September 2023 (the “Second Quarter Fiscal 2023”) and six months ended 30 September 2023 (the “Interim Period 2023”), together with the comparative unaudited figures for the corresponding periods in 2022, as follows:

Condensed Consolidated Statement of Profit Or Loss and Other Comprehensive Income

For the three months and six months ended 30 September 2023

	Notes	Three months ended 30 September 2023		Six months ended 30 September 2023	
		RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)	RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Revenue	5	301,696	208,450	573,352	398,487
Cost of services		(274,512)	(178,187)	(517,040)	(330,283)
Gross profit		27,184	30,263	56,312	68,204
Other income and losses, net	6	6,442	26,828	25,926	29,613
Marketing expenses		(2,192)	(1,347)	(4,385)	(2,395)
Research and development expenses		(7,982)	(8,000)	(17,465)	(14,748)
Administrative expenses		(20,172)	(18,151)	(41,898)	(34,725)
Provision of expected credit loss on accounts and other receivables, net		(14)	(864)	(14)	(864)
Finance costs	7	(4,978)	(6,536)	(10,697)	(11,696)
Share of result of an associate		-	(1)	-	(12)
Profit/(loss) before tax	8	(1,712)	22,192	7,779	33,377
Income tax credit/(expenses)	9	(745)	(846)	1,891	838
Profit/(loss) for the period		(2,457)	21,346	9,670	34,215
Other comprehensive income/(loss)					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		(39)	675	546	4,473
Reclassification of translation reserve upon deregistration of a subsidiary		-	-	(122)	-
Other comprehensive income/(loss) for the period, net of tax		(39)	675	424	4,473
Total comprehensive income/(loss) for the period		(2,496)	22,021	10,094	38,688

Condensed Consolidated Statement of Profit Or Loss and Other Comprehensive Income

For the three months and six months ended 30 September 2023

Notes	Three months ended 30 September 2023		Six months ended 30 September 2023	
	RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)	RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Profit/(loss) for the period attributable to:				
Owners of the Company	38	22,374	11,525	34,884
Non-controlling interests	(2,495)	(1,028)	(1,855)	(669)
	(2,457)	21,346	9,670	34,215
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	(1)	23,049	11,949	39,357
Non-controlling interests	(2,495)	(1,028)	(1,855)	(669)
	(2,496)	22,021	10,094	38,688
Earnings per share attributable to ordinary equity holders of the Company				
Basic and diluted (RMB cents)	10	0.00	0.49	0.80

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

		30 September 2023	31 March 2023
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment	12	96,350	95,517
Right-of-use assets		59,610	52,916
Goodwill		281,580	281,580
Other intangible assets		174,549	180,121
Equity investments designated at fair value through other comprehensive income		300	300
Contingent consideration		8,459	8,459
Prepayments, other receivables and other assets		10,308	7,542
Deferred tax assets		7,589	8,277
Total non-current assets		638,745	634,712
CURRENT ASSETS			
Inventories		17	30
Accounts receivable	13	663,240	599,312
Prepayments, other receivables and other assets		73,953	80,516
Financial assets at fair value through profit or loss		10,080	11,068
Prepaid tax		–	433
Pledged deposits		3,057	3,057
Cash and cash equivalents		94,642	163,697
Total current assets		844,989	858,113
CURRENT LIABILITIES			
Accounts payable	14	25,347	11,517
Other payables and accruals		99,612	105,220
Contract liabilities		1,027	845
Consideration payables		5,431	28,519
Interest-bearing bank and other borrowings		54,500	68,500
Lease liabilities		27,677	23,098
Tax payable		408	1,716
Total current liabilities		214,002	239,415

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Notes	30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
NET CURRENT ASSETS		630,987	618,698
TOTAL ASSETS LESS CURRENT LIABILITIES		1,269,732	1,253,410
NON-CURRENT LIABILITIES			
Other payables and accruals		2,276	1,275
Consideration payables		–	5,255
Interest-bearing bank and other borrowings		185,203	177,144
Lease liabilities		29,059	25,324
Deferred tax liabilities		17,243	18,555
Total non-current liabilities		233,781	227,553
Net assets		1,035,951	1,025,857
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	40,442	40,442
Reserves		985,673	973,724
		1,026,115	1,014,166
Non-controlling interests		9,836	11,691
Total equity		1,035,951	1,025,857

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Share capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Statutory reserve RMB'000 (Unaudited)	Revaluation reserve RMB'000 (Unaudited)	Translation reserve RMB'000 (Unaudited)	Other reserve RMB'000 (Unaudited)	Retained profits/ Accumulated losses RMB'000 (Unaudited)	Sub-total RMB'000 (Unaudited)	Non- controlling interests RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 April 2023	40,442	1,125,077	14,577	(18,499)	22,964	(421)	(169,974)	1,014,166	11,691	1,025,857
Profit for the period	-	-	-	-	-	-	11,525	11,525	(1,855)	9,670
Other comprehensive income for the period	-	-	-	-	424	-	-	424	-	424
Total comprehensive income for the period	-	-	-	-	424	-	11,525	11,949	(1,855)	10,094
At 30 September 2023	40,442	1,125,077	14,577	(18,499)	23,388	(421)	(158,449)	1,026,115	9,836	1,035,951
At 1 April 2022	35,395	944,878	12,876	(3,235)	19,328	-	61,863	1,071,105	20,148	1,091,253
Profit for the period	-	-	-	-	-	-	34,884	34,884	(669)	34,215
Other comprehensive income for the period	-	-	-	-	4,473	-	-	4,473	-	4,473
Total comprehensive income for the period	-	-	-	-	4,473	-	34,884	39,357	(669)	38,688
Issue of new shares (net of transaction costs)	5,047	180,637	-	-	-	-	-	185,684	-	185,684
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(421)	(421)	(4,579)	(5,000)
At 30 September 2022	40,442	1,125,515	12,876	(3,235)	23,801	-	96,326	1,295,725	14,900	1,310,625

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	22,630	12
INVESTING ACTIVITIES		
Purchase of property and equipment	(20,289)	(9,982)
Proceeds from disposal of property and equipment	18	–
Development costs paid	(7,921)	(10,505)
Interest received	1,386	1,240
Dividend income received	6	67
Payment of consideration payables	(28,519)	(70,000)
Acquisition of subsidiaries, net of cash acquired	–	5,032
Acquisition of additional interests in subsidiaries	–	(5,000)
Proceeds from disposal of an associate	–	6,720
NET CASH USED IN INVESTING ACTIVITIES	(55,319)	(82,428)
FINANCING ACTIVITIES		
Finance costs paid	(2,462)	(1,440)
Repayment of lease liabilities	(20,282)	(13,828)
Advance from related company	–	70,000
Repayment of borrowings	(14,000)	(29,000)
Proceeds from issue of new shares (net of transaction costs)	–	185,684
CASH FROM (USED IN) FINANCING ACTIVITIES	(36,744)	211,416
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69,433)	129,000
Cash and cash equivalents at 1 April	163,697	86,047
Effect of exchange rates changes on cash and cash equivalents, net	378	4,318
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	94,642	219,365
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and condensed consolidated statement of cash flows	94,642	219,365

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered address and principal place of business of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Room 1204, 12/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong respectively. The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively, the "Group") are principally engaged in investment holding, provision of back-office services (primarily provision of customer service solutions, and setting up of contact service systems and centres), comprehensive marketing and agency services and data centre services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2023 (the "Interim Financial Statements") have been prepared in accordance with the Hong Kong Accounting Standards 34 ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The functional currency of the Company, which is also the presentation currency of the Group's Interim Financial Statements, is Renminbi ("RMB").

As stated in the Group's annual financial statements for the year ended 31 March 2023, the management of the Group noted a misstatement in its consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022. The misstatement is related to certain transactions of the Group's comprehensive marketing and agency services in which the Group acted as an agent rather than a principal based on a re-assessment of those transactions. Accordingly, the revenue and the related cost of services for the three months and six months ended 30 September 2022 are restated and recognised in net amount instead of in gross amount. There is no impact on the earnings per share for the three months and six months ended 30 September 2022.

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

2. BASIS OF PREPARATION (Continued)

The effects of correction of this misstatement on the Group's unaudited condensed consolidated statement of comprehensive income for the three months and six months ended 30 September 2022 are summarised as follows:

	As previously reported RMB'000 (Unaudited)	Correction of misstatement RMB'000 (Unaudited)	As restated RMB'000 (Unaudited)
For the three months ended 30 September 2022			
Revenue	234,472	(26,022)	208,450
Cost of services	204,209	(26,022)	178,187
For the six months ended 30 September 2022			
Revenue	457,337	(58,850)	398,487
Cost of services	389,133	(58,850)	330,283

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of new/amended Hong Kong Financial Reporting Standards ("HKFRS"), the accounting policies and methods of computation used in the Interim Financial Statements are the same as those presented in the Group's annual financial statements for the year ended 31 March 2023 ("Annual Financial Statements"). The Interim Financial Statements should be read, where relevant, in conjunction with the Annual Financial Statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new/amended HKFRSs

In the current interim period, the Group has applied the following new/amended HKFRSs 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 Interim Financial Statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>

The application of new/amended HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these Interim Financial Statements.

4. OPERATING SEGMENT INFORMATION

The Group is primarily engaged in the provision of value-added telecommunications and related services, including back-office services, comprehensive marketing and agency services and data centre services. Given that the chief operating decision maker of the Company considers that the Group's business is operated and managed as a single segment, no further segment information is presented.

Geographical information

Revenue from external customers

	Three months ended 30 September		Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Mainland China	301,696	208,450	573,352	398,487

The revenue information above is based on the locations of the customers.

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

5. REVENUE

An analysis of the Group's revenue from contracts with customers arising from the value-added telecommunication and related services is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Back-office services:				
Provision of customer service solutions	283,077	197,926	538,850	375,797
Set up of contact service systems and centres	130	150	130	277
	283,207	198,076	538,980	376,074
Comprehensive marketing and agency services	12,669	3,931	23,181	9,836
Data centre services	5,820	6,443	11,191	12,577
	301,696	208,450	573,352	398,487

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	Three months ended 30 September		Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Over time	301,566	208,300	573,222	398,210
At a point in time	130	150	130	277
	301,696	208,450	573,352	398,487

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

6. OTHER INCOME AND LOSSES, NET

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net fair value loss on financial assets at fair value through profit or loss ("FVTPL")	(394)	(633)	(1,144)	(941)
Dividend income	6	67	6	67
Interest income:				
— Bank interest income	202	279	466	451
— Other interest income	457	383	920	789
Foreign exchange difference, net	63	6,265	4,700	3,473
Government grants and subsidies	4,091	1,298	19,274	4,921
Value-Add Tax ("VAT") refund	90	150	481	152
Gain on disposal of an associate	—	1,653	—	1,653
Gain on deregistration of a subsidiary	—	—	122	—
Gain from derecognition of financial liabilities measured at amortised costs	—	15,508	—	15,508
Others	1,927	1,858	1,101	3,540
Total	6,442	26,828	25,926	29,613

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

7. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank borrowings	179	228	1,076	532
Interest on other borrowings from a related company	3,947	4,273	8,059	6,709
Interest on lease liabilities	782	488	1,386	908
Interest on consideration payable	70	1,547	176	3,547
	4,978	6,536	10,697	11,696

8. PROFIT/(LOSS) BEFORE TAX

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

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Directors' and chief executives' emoluments	441	1,461	871	3,191
Employee benefit expenses (excluding directors' and chief executives' emoluments)				
— Salaries and other benefits	192,330	119,904	370,280	225,780
— Amount capitalised	(3,306)	(2,557)	(5,740)	(5,109)
	189,465	118,808	365,411	223,862
Legal and professional fees	2,305	1,560	5,499	3,083
Depreciation of property and equipment	10,142	5,847	18,896	11,350
Depreciation of right-of-use assets	11,194	8,351	21,902	15,725
Amortisation of intangible assets	6,934	6,079	13,740	11,917

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

9. INCOME TAX CREDIT/(EXPENSES)

Pursuant to the Corporate Income Tax Law of the People's Republic of China (the "PRC") and the respective regulations, the Group's entities which operate in Mainland China are subject to corporate income tax ("CIT") at a rate of 25% on the taxable income, except for certain subsidiaries which were entitled to a preferential tax rate of 15% because they were accredited as "High and New Technology Enterprises" and certain subsidiaries which were entitled to a preferential tax rate of 5% of the taxable income between RMB1,000,000 and RMB3,000,000 because they were regarded as "small-scaled minimal profit enterprises", one of the criteria of which is with annual taxable income no more than RMB3,000,000 during the corresponding year. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the periods.

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax — Mainland China				
Provision for the period	(672)	(867)	(756)	(2,742)
Over provision in prior periods	25	154	2,023	2,789
Deferred tax	(98)	(133)	624	791
Income tax credit/(expenses)	(745)	(846)	1,891	838

10. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the period attributable to owners, i.e., ordinary equity holders, of the Company and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the three months and six months ended 30 September 2023 in respect of a dilution because the Group had no potentially dilutive ordinary shares in issue during the three months and six months ended 30 September 2023 (2022: Nil).

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

10. EARNINGS PER SHARE (Continued)

The calculations of basic and diluted earnings per share are based on:

	Three months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Earnings

Profit attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculation

38	22,374	11,525	34,884
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	Number of shares			
	Three months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022
	'000	'000	'000	'000

Shares

Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation

4,776,020	4,571,672	4,776,020	4,381,143
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11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

12. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired items of property and equipment with a cost of approximately RMB20,289,000 (2022: RMB9,982,000).

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

13. ACCOUNTS RECEIVABLE

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Accounts receivable	669,327	605,941
Impairment	(6,087)	(6,629)
	663,240	599,312

The Group generally allows a credit period of within three months to its customers upon issuance of customer billings. The directors of the Company are of the view that there have been no significant increase in credit risk of default because the amounts are from customers with good credit rating and continuous repayment. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the date of services rendered and net of loss allowance for impairment, is as follows:

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
0–60 days	291,069	233,016
61–120 days	92,285	134,923
121–180 days	40,904	61,860
Over 180 days	238,982	169,513
	663,240	599,312

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

14. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the date of service received, is as follows:

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
0–60 days	10,537	5,320
61–120 days	6,996	3,009
121–180 days	1,457	133
Over 180 days	6,357	3,055
	25,347	11,517

The average credit period on accounts payable is 30 days. The accounts payable are non-interest-bearing.

15. SHARE CAPITAL

	Number of shares	Amount RMB'000
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023	10,000,000,000	87,661
Issued and fully paid:		
As at 1 April 2022	4,188,519,590	35,395
Share issued (<i>Note</i>)	587,500,000	5,047
As at 30 September 2022, 1 April 2023 and 30 September 2023	4,776,019,590	40,442

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

15. SHARE CAPITAL *(Continued)*

Note: On 15 July 2022 (after trading hours), the Company entered into the subscription agreements with the subscribers pursuant to which the subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 587,500,000 subscription shares at a price of HK\$0.4 per subscription share. The completion of this transaction took place on 2 August 2022.

16. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed in Note 7 to the Interim Financial Statements, the Group had the following transactions and balances with related parties:

(a) Compensation of key management personnel of the Group:

The directors and chief executives of the Company are the key management personnel of the Group. Details of their remuneration are disclosed in Note 8 to the Interim Financial Statements.

(b) Borrowings from a related company

As at 30 September 2023, the carrying amount of the other borrowings from a related company of the Company amounted to approximately RMB185,203,000 (31 March 2023: approximately RMB177,144,000).

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The information about how the fair value of these financial assets are determined (in particular, the valuation techniques and inputs used) are disclosed in respective notes to the Annual Financial Statements.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed statement of financial position approximate their fair value.

During the six months ended 30 September 2023 and year ended 31 March 2023, there were no transfers between Level 1, Level 2 and Level 3.

Notes to the Unaudited Condensed Consolidated Financial Statements

30 September 2023

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy as at 30 September 2023

	Level 1 RMB'000 (Unaudited)	Level 2 RMB'000 (Unaudited)	Level 3 RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets				
Financial assets at fair value through profit or loss	2,964	–	7,116	10,080
Equity instruments designated at fair value through other comprehensive income	–	–	300	300
Contingent consideration	–	–	8,459	8,459
	2,964	–	15,875	18,839

Fair value hierarchy as at 31 March 2023

	Level 1 RMB'000 (Audited)	Level 2 RMB'000 (Audited)	Level 3 RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	3,952	–	7,116	11,068
Equity instruments designated at fair value through other comprehensive income	–	–	300	300
Contingent consideration	–	–	8,459	8,459
	3,952	–	15,875	19,827

18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 7 November 2023.

Management Discussion and Analysis

BUSINESS REVIEW

2023 marks the first year of economic recovery from the impact of the three-year COVID-19 pandemic. According to the operational data released for the third quarter, the economy recovered significantly and showed an overall growth trend, with some positive changes in many areas and indicators. The service sector continued to recover fast, and the contact-based clustered service industry and modern service industry played a stronger leading role. As market demand has gradually recovered, our client service needs have also recovered and increased, and our business has taken on new challenges. We have always focused on improving customer satisfaction and promoting the healthy and sustainable development of our business. With close cooperation with our clients, we proactively and effectively ensured the stable operation of various projects, and the revenue of our principal business has increased significantly compared with that during the COVID-19 pandemic.

The Group recorded revenue of approximately RMB573.4 million in the Interim Period 2023, a year-on-year increase of 43.9%. Specifically, the back-office services have been resuming steadily, with further consolidated leading position in advantageous fields such as the Internet and telecommunications operators. The revenue of back-office services hit approximately RMB539.0 million, accounting for 94.0% of the total revenue. In the meantime, it continuously improved its innovative business and saw substantial growth in revenue in integrated Internet marketing business, with the revenue hitting approximately RMB23.2 million, a year-on-year increase of 135.7%.

During the reporting period, the Group continued to strengthen and broaden its business relationships with leading clients in the fields of Internet mobility, finance and securities, e-commerce, and livestreaming services. Our relationships with top five clients remain fairly stable. In terms of new clients and new business development, we have put great efforts in all-industry markets with incremental shares, and acquired clients in the field of Internet marketing services. Meanwhile, the Group acquired new clients in 3C and automotive industries for its self-developed intelligent software products.

In addition, the Group built or optimised and upgraded its self-operated contact service centres in Suining, Dalian, Chengdu, Puyang and so forth during the reporting period, increasing the total number of completed workstations in 35 self-operated contact service centres to 18,256.

FINANCIAL REVIEW

The Group recorded a revenue of approximately RMB573.4 million for the Interim Period 2023 (2022: approximately RMB398.5 million (restated)), representing 43.9% increase as compared to that of the corresponding period in 2022. The increase in revenue was mainly attributable to the increase in revenue generated from back-office services and comprehensive marketing and agency services.

Management Discussion and Analysis

During the Interim Period 2023, the Group incurred cost of services of approximately RMB517.0 million (2022: approximately RMB330.3 million (restated)). Cost of services primarily consisted of staff costs, subcontracting fees, rental expenses, depreciation and amortisation. The increase was mainly attributable to the increases in the abovementioned major expenses components.

Net other income for the Interim Period 2023 was approximately RMB25.9 million (2022: approximately RMB29.6 million). During the Interim Period 2022, the Group recognised gains from derecognition of financial liabilities measured at amortised and disposal of an associate. The decrease in net other income resulting from the absence of such gains during the Interim Period 2023 was partially offset by the increase in government grants and subsidies as compared to that of the corresponding period in 2022.

The Group incurred marketing, research and development expenses of approximately RMB21.9 million (2022: approximately RMB17.1 million) in aggregate during the Interim Period 2023. The increase was mainly attributable to the increase in staff costs during the Interim Period 2023.

Administrative expenses for the Interim Period 2023 increased to approximately RMB41.9 million (2022: approximately RMB34.7 million) which was mainly attributable to general increases in expenses as compared to those of the corresponding period in 2022.

During the Interim Period 2023, the Group incurred finance costs of approximately RMB10.7 million (2022: approximately RMB11.7 million) which mainly consisted of interests on bank and other borrowings, lease liabilities and consideration payable arising from the acquisition of KingNine Holdings Limited.

The Group recorded an income tax credit for the Interim Period 2023 of approximately RMB1.9 million (2022: approximately RMB0.8 million) which mainly consisted of provision of PRC Enterprise Income Tax of approximately RMB0.8 million (2022: approximately RMB2.7 million), offset by an overprovision in prior period of approximately RMB2.0 million (2022: RMB2.7 million) and deferred tax credit of approximately RMB0.7 million (2022: approximately RMB0.8 million).

Profit attributable to owners of the Company for the Interim Period 2023 was approximately RMB11.5 million as compared to that of approximately RMB34.9 million recorded for the corresponding period in 2022.

Basic earnings per share for the Interim Period 2023 was approximately RMB0.24 cents (2022: approximately RMB0.80 cents).

Total assets as at 30 September 2023 was approximately RMB1,483.7 million (31 March 2023: approximately RMB1,492.8 million). Net assets value as at 30 September 2023 was approximately RMB1,036.0 million (31 March 2023: approximately RMB1,025.9 million).

Management Discussion and Analysis

Capital Structure, liquidity and financial resources

The Board monitors the Group's capital structure by reviewing its cash flow requirements and considering its future financial obligations and commitments.

The Group's operation and investments were financed by internal resources as well as interest-bearing bank and other borrowings.

As at 30 September 2023, aggregate of cash and bank balances and pledged bank deposits of the Group amounted to approximately RMB97.7 million (31 March 2023: approximately RMB166.8 million), which were mainly denominated in Renminbi ("RMB") and Hong Kong dollar.

As at 30 September 2023, the Group had interest-bearing bank and other borrowings of approximately RMB239.7 million (31 March 2023: approximately RMB245.6 million), which were mainly denominated in RMB. The interest-bearing bank and other borrowings amounted to approximately RMB54.5 million (31 March 2023: approximately RMB68.5 million) are repayable within one year with the rest are repayable more than one year.

As at 30 September 2023, the Group had a current ratio of 3.9 and a gearing ratio of 23.1% (31 March 2023: 3.6 and 23.9%, respectively). The gearing ratio is computed by dividing the Group's interest-bearing bank and other borrowings of approximately RMB239.7 million (31 March 2023: approximately RMB245.6 million) by the Group's equity of approximately RMB1,036.0 million (31 March 2023: approximately RMB1,025.9 million).

For foreign currency risk, the Group will continue to monitor its foreign currency exposure and will consider using hedging instruments if available in respect of significant foreign currency exposure should the need arise.

Commitments

The Group and the Company did not have any significant commitment as at 30 September 2023 and 31 March 2023.

Employees and remuneration policies

As of 30 September 2023, the Group employed 13,423 employees including Directors (31 March 2023: 11,755). Total staff costs (including Directors' emoluments) for the Interim Period 2023 amounted to approximately RMB371.2 million (2022: approximately RMB229.0 million). Employees' remuneration packages are decided based on their job responsibilities, local market benchmarks and industry trends. Employee discretionary bonus is distributable according to the performance of the respective subsidiaries and employees concerned.

Management Discussion and Analysis

Charge on the Group's assets

There was no material change in charge on the Group's assets as compared to the most recently published annual report.

Contingent liabilities

As at 30 September 2023, the Group had no material contingent liabilities (31 March 2023: Nil).

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group had no material acquisitions and disposals of subsidiaries and affiliated companies during the Interim Period 2023.

Future plans for material investments or capital assets

The Group will focus on premium corporate clients in the Internet and finance sectors to diversify its categories of services and strengthen our customers' stickiness, which in turn help the Group to generate economics of scale and gain more market share.

The Group will look into our business development and consider acquiring or investing in relevant assets which form synergistic effects with our principal business as and when appropriate. Through the acquisition and investment, the Group can expand its services categories and premium customer base and strengthen our capability in research and development, which in turn identify and meet demands from customers in a view to raise our core competitiveness and profitability.

OUTLOOK

Since the beginning of 2023, the global economy has seen sluggish recovery, global inflation has remained relatively high, and the spillover effects of tightening monetary policies in major economies have become obvious. In the face of the complex and severe international situation and the arduous task of domestic reform, development and stability, various departments in different regions in China have resolutely implemented the decisions and arrangements made by the CPC Central Committee and the State Council to conduct precise and effective macro-policy regulation, and have focused their efforts on expanding domestic demand, boosting confidence, and preventing risks. The national economy has withstood the downward pressure brought about by the risks and challenges from abroad and the overlapping of multiple domestic factors, and on the whole it continued to recover. Production and supply have steadily increased, market demand has continued to expand, employment and price levels have generally been on the rise, the quality of development has steadily improved, and positive factors have accumulated.

Management Discussion and Analysis

According to preliminary estimates, the gross domestic product in the first three quarters of this year reached RMB91,302.7 billion, a year-on-year increase of 5.2% at constant prices. The service sector continued to recover fast, and the contact-based clustered service industry and modern service industry played a stronger leading role. The value added of the service sector grew by 6.0% year on year. Specifically, the value added of the information transmission, software and information technology services, and the leasing and business services, in which the Group is engaged, increased by 12.1% and 9.5%, respectively.

In the first three quarters, market vitality continued to increase with the implementation of a series of policies to spur consumption, and new forms of consumption and new hot spots continued to emerge. The consumer market maintained stable recovery. Market sales were back on the upswing, with brisk sales of goods for basic living and upgraded goods, fast growth in online consumption, and continued release of consumption demand for services.

In the meantime, a series of policies launched for the entertainment and media industry and its sub-sectors have deepened the integration of new technologies with the industries and cross-industry or intra-industry integration, which is an irreversible industrial change trend in the new round of scientific and technological revolution and in the era of digital economy. New scenes of consumption have been created and expanded through digital empowerment and the integration of business, tourism, culture and sports. New forms of business in the service sector developed vigorously, consumption momentum was continuously stimulated, and new service industries unleashed new vitality. As the Group's major clients are players from sectors such as finance & securities, telecommunications operators and Internet, they are expected to recover rapidly with the continued economic recovery and the gradual rise of new endogenous momentum, while the far-reaching impact of the pandemic on people's education, mobility, shopping and so forth will further promote the booming development of Internet sector companies, which are expected to bring the Group's business more opportunities for rapid growth.

We will pay close attention to the impact of macro policies on our clients' businesses, and maintain close communication with clients. We will take diversified measures to make active responses and step up presence in the field of back-office services. While consolidating the operational business of existing clients, we will actively explore and seek new business opportunities in the financial industry and livestreaming e-commerce, actively grasp the good opportunities for business development, and effectively expand our business presence in China, in a bid to realise healthy growth.

Other Information

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Interim Period 2023 (2022: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2023, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or 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 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Other Information

Long positions in shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding in the Company
Zhong Zhi Xin Zhuo Capital Company Limited ("Zhongzhi Xinzhuo") (Note 1)	Beneficial owner	2,409,823,718	50.46%
Kang Bang Qi Hui (HK) Company Limited ("Kang Bang (HK)") (Note 1)	Beneficial owner	455,820,525	9.54%
Tian Xi Capital Company Limited ("Tian Xi Capital") (Note 1)	Interest of controlled corporation	2,865,644,243	60.00%
Zhong Zhi Ze Yun Capital Company Limited ("Ze Yun Capital") (Note 1)	Interest of controlled corporation	2,865,644,243	60.00%
Mr. XIE Zhikun [#] ("Mr. Xie") (Note 1)	Interest of controlled corporation	2,865,644,243	60.00%
Gfly Ltd (Note 2)	Beneficial owner	437,500,000	9.16%
LVYY Cayman Limited (Note 2)	Interest of controlled corporation	437,500,000	9.16%
LVYY Holding Limited (Note 2)	Interest of controlled corporation	437,500,000	9.16%
Mr. Lyu Wenyang (Note 2)	Interest of controlled corporation	437,500,000	9.16%
NINEGO Corporation ("NINEGO") (Note 3)	Beneficial Owner	211,970,219	4.44%
Mr. Hu Shilong ("Mr. Hu") (Note 3 & 4)	Interest of controlled corporation	211,970,219	4.44%
	Interest of a party to a voting rights entrustment deed	2,865,644,243	60.00%
Ms. Liu Yingying ("Ms. Liu") (Note 3)	Interest of controlled corporation	211,970,219	4.44%

[#] Mr. Xie passed away on 18 December 2021.

Other Information

Notes:

1. Each of Zhongzhi Xinzhuo and Kang Bang (HK) is a wholly-owned subsidiary of Tian Xi Capital. Ze Yun Capital, a company wholly-owned by Mr. Xie, controls 100% of the voting power at general meetings of Tian Xi Capital. As such, each of Tian Xi Capital, Ze Yun Capital and Mr. Xie is deemed to be interested in an aggregate of 2,865,644,243 shares of the Company held by Zhongzhi Xinzhuo and Kang Bang (HK) by virtue of the SFO.
2. Gfly Ltd is a wholly-owned subsidiary of LVYY Cayman Limited. LVYY Cayman Limited is a wholly-owned subsidiary of LVYY Holding Limited, a company wholly-owned by Mr. Lyu Wenyang. As such, each of LVYY Cayman Limited, LVYY Holding Limited and Mr. Lyu Wenyang is deemed to be interested in 437,500,000 shares of the Company held by Gfly Ltd by virtue of the SFO.
3. NINEGO is held by Mr. Hu as to 40.60% and Ms. Liu as to 59.40%. As such, Mr. Hu and Ms. Liu are deemed to be interested in 274,190,219 shares of the Company held by NINEGO by virtue of the SFO.
4. On 28 August 2023, Mr. Hu, Zhongzhi Xinzhuo and Kang Bang (HK) entered into a voting rights entrustment deed, pursuant to which each of Zhongzhi Xinzhuo and Kang Bang (HK) has entrusted the voting rights over all of its 2,409,823,718 shares of the Company and 455,820,525 shares of the Company respectively to Mr. Hu. As such, Mr. Hu is deemed to be interested in an aggregate of 2,865,644,243 shares of the Company held by Zhongzhi Xinzhuo and Kang Bang (HK) by virtue of the SFO.

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Interim Period 2023.

COMPETING BUSINESS

During the Interim Period 2023, none of the Directors, controlling shareholder of the Company or their respective close associates had any direct or indirect interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Other Information

USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

On 15 July 2022 (after trading hours), the Company entered into subscription agreements with Gfly Ltd. and Glink Resources Limited respectively, pursuant to which Gfly Ltd. and Glink Resources Limited have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 587,500,000 ordinary share(s) of par value of HK\$0.01 each in the capital of the Company (the "Subscription Shares", each a "Subscription Share") at a price of HK\$0.4 per Subscription Share (the "Subscriptions"). Gfly Ltd. is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. It is ultimately owned by Mr. Lyu Wenyang. Glink Resources Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in trading and investment business. The trading business mainly involves bulk commodity entrepot trade of metal products, whereas the investment business includes equity investment and debt investment. It is ultimately owned by Mr. Wang Peng. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, both Gfly Ltd. and Glink Resources Limited, and their respective ultimate beneficial owners are third parties independent of the Company and not connected persons (as defined in the GEM Listing Rules) of the Company.

The subscription price of HK\$0.4 per Subscription Share represents: (1) a premium of approximately 48.15% of the closing price of HK\$0.27 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 July 2022, being the date of the subscription agreements of the Subscriptions; and (2) a premium of approximately 45.45% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 15 July 2022, being the date of the subscription agreements of the Subscriptions.

The Directors were of the view that the Subscriptions were in the interests of the Company and its shareholders as a whole and the allotment and issue of the Subscription Shares was an appropriate mean of raising additional capital for the business operations of the Group and to further strengthen the Group's financial position since it would provide the Company with immediate funding and the shareholders' base of the Company would be broadened.

On 2 August 2022, 437,500,000 Subscription Shares and 150,000,000 Subscription Shares were issued and allotted to Gfly Ltd. and Glink Resources Limited respectively under the Subscriptions.

Please refer to the announcements of the Company dated 15 July 2022 and 2 August 2022 for details of the Subscriptions.

Other Information

The gross proceeds from the Subscriptions amounted to approximately HK\$235 million, and the net proceeds arising from the Subscriptions, after deducting all relevant expenses incidental to the Subscriptions, amounted to approximately HK\$215 million. As disclosed in the Company's announcement dated 2 August 2022, the Company intended to apply the net proceeds in the following manner:

- (i) as to approximately HK\$27 million of the net proceeds from the Subscriptions towards existing business development ("Existing Business Development");
- (ii) as to approximately HK\$105 million of the net proceeds towards business expansion and acquisition(s) regarding new media business of providing live-streaming e-commerce and digital marketing services ("Business Expansion and Acquisition(s)"); and
- (iii) as to approximately HK\$83 million of the net proceeds towards general working capital of the Group ("General Working Capital").

Having considered the recent market changes and the financial position of the Group, the Directors further resolved to change the use of the net proceeds from the Subscriptions, being approximately HK\$215 million as follows: (i) as to approximately HK\$53.9 million for Existing Business Development and (ii) as to approximately HK\$161.1 million for General Working Capital ("Further Revised Allocation of the Net Proceeds"). The Further Revised Allocation of the Net Proceeds, the utilised and unutilised amounts of the net proceeds as at 30 September 2023 are set out below:

	Intended use of the net proceeds HK\$ million	Further Revised Allocation of the Net Proceeds HK\$ million	Utilised amount of the net proceeds as at 30 September 2023 HK\$ million	Unutilised amount of the net proceeds as at 30 September 2023 HK\$ million	Expected timeline for utilising the unutilised net proceeds
Existing Business Development	27.0	53.9	(53.9)	-	
Business Expansion and Acquisition(s)	105.0	-	-	-	
General Working Capital	83.0	161.1	(158.2)	2.9	On or before 31 March 2024
	215.0	215.0	(212.1)	2.9	

Other Information

Having considered the recent market changes and the financial position of the Group, the Directors are of the view that it would be appropriate to re-allocate HK\$105.0 million which were originally allocated for Business Expansion and Acquisition(s) to Existing Business Development and General Working Capital since it could enhance the financial position and liquidity of the Group and meet the financial needs of the Group. The Directors considered the above change in the use of the net proceeds from the Subscriptions is fair and reasonable and in the interests of the Company and its shareholders as a whole.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries to all the relevant Directors who confirmed their compliance with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the Interim Period 2023. No incident of non-compliance was noted by the Company during the Interim Period 2023.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 15 of the GEM Listing Rules throughout the Interim Period 2023, except for the following:

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The chairman of the Company (the “Chairman”) is responsible for overseeing the function of the Board. During the Interim Period 2023, Mr. QIU Xiaojian was the Chairman.

The chief executive officer of the Company (the “CEO”) is responsible to the Board for managing the business of the Group. Since 6 March 2023, the post of the CEO has been left vacant and the executive Directors have overseen the day-to-day management of the business and operations of the Company and its subsidiaries. Upon reviewing the current structure of the Board, the Company has appointed Mr. Hu Shilong as the CEO with effect from 7 November 2023.

Other Information

REVIEW OF UNAUDITED FINANCIAL RESULTS

The Audit Committee has reviewed the Interim Financial Statements and is of the opinion that the preparation of those statements complies with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
Kingwisoft Technology Group Company Limited
金慧科技集團股份有限公司
QIU Xiaojian
Chairman

Hong Kong, 7 November 2023

As at the date of this report, the executive Directors are Mr. QIU Xiaojian (Chairman), Mr. LI Xiang, Mr. HU Shilong and Ms. ZHOU Fang; and the independent non-executive Directors are Mr. Stephen MARKSCHEID, Mr. ZHANG Weidong, Mr. ZENG Liang and Mr. WANG Li.