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INTERNATIONAL GENIUS COMPANY

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of International Genius Company (the “**Company**”) is pleased to announce that the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 June 2024 (the “**Annual Results**”), together with the comparative figures for the year ended 30 June 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2&3	226,711	333,964
Cost of sales and services		<u>(213,645)</u>	<u>(330,782)</u>
Gross profit		13,066	3,182
Other revenue and other net gain/(loss)	4	1,985	(1,767)
Operating expenses		<u>(53,416)</u>	<u>(39,356)</u>
Loss from operations		<u>(38,365)</u>	<u>(37,941)</u>
Finance costs	5	<u>(1,582)</u>	(658)
Other non-operating income			
Gain on disposal of property, plant and equipment		1,455	4
Gain on deregistration of subsidiaries		<u>–</u>	<u>56</u>
		<u>1,455</u>	<u>60</u>
Loss before tax	6	<u>(38,492)</u>	<u>(38,539)</u>
Income tax expense	7	<u>(1,496)</u>	(168)
Loss for the year		<u>(39,988)</u>	<u>(38,707)</u>
Other comprehensive income/(loss) for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating financial statements of subsidiaries		<u>864</u>	<u>(6,173)</u>
Total other comprehensive income/(loss) for the year		<u>864</u>	<u>(6,173)</u>
Total comprehensive loss for the year		<u><u>(39,124)</u></u>	<u><u>(44,880)</u></u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
(Loss)/profit for the year attributable to:			
Equity shareholders of the Company		(39,991)	(38,710)
Non-controlling interests		<u>3</u>	<u>3</u>
		<u>(39,988)</u>	<u>(38,707)</u>
Total comprehensive (loss)/income for the year attributable to:			
Equity shareholders of the Company		(39,128)	(45,666)
Non-controlling interests		<u>4</u>	<u>786</u>
		<u>(39,124)</u>	<u>(44,880)</u>
Loss per share			
	9		
— Basic (HK\$ cents)		<u>(7.36)</u>	<u>(7.21)</u>
— Diluted (HK\$ cents)		<u>(7.36)</u>	<u>(7.21)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		10,663	8,772
Right-of-use assets		20,581	35,943
Intangible assets and goodwill		605,935	–
Deposit paid	12	4,584	6,754
		<u>641,763</u>	<u>51,469</u>
Current assets			
Inventories		–	9,700
Trading securities		91	112
Loan receivables	10	–	–
Trade receivables	11	58,119	24,476
Prepayments, deposits and other receivables	12	49,745	31,428
Client trust bank balance		658	825
Cash and cash equivalents		47,717	89,084
		<u>156,330</u>	<u>155,625</u>
Total Assets		<u>798,093</u>	<u>207,094</u>
Capital and reserves			
Share capital	13	5,582	5,372
Reserves		687,829	137,298
		<u>693,411</u>	<u>142,670</u>
Equity attributable to shareholders of the Company		693,411	142,670
Non-controlling interests		30	26
		<u>693,441</u>	<u>142,696</u>
Total Equity		<u>693,441</u>	<u>142,696</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		11,563	24,284
Current liabilities			
Trade payables	<i>14</i>	19,552	13,335
Accruals and other payables		21,324	8,929
Consideration payable		30,000	–
Lease liabilities		12,972	12,950
Tax payables		9,241	4,900
		93,089	40,114
Total equity and liabilities		798,093	207,094
Net current assets		63,241	115,511
Total assets less current liabilities		705,004	166,980

NOTES

1. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of Preparation

The consolidated financial statements for the year ended 30 June 2024 comprise of the Company and its subsidiaries have been prepared in accordance with HKFRSs and under the historical cost convention except where stated otherwise in the accounting policies set out below.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) **Changes in accounting policies and disclosures**

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 17	Insurance Contracts and the related Amendments
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 Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

There was no material impact on the financial statements of the Group as the new HKFRSs and amendments to HKFRSs were consistent with policies already adopted by the Group.

2. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has four reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Tech-driven investment management
- Advancing business
- Trading of party products
- Trading of commodities

On 22 March 2024, the Group completed the acquisition of Deep Neural Computing Company Limited (“DNCC”) with DNCC’s expertise in artificial intelligence, deep neural networks, distributed computing, and quantitative trading algorithm solutions, the Group has redefined its securities brokerage and asset management segment into tech-driven investment management segment.

(a) **Segment Revenues and Results**

The accounting policies of the operating segments are the same as the accounting policies of the Group. Segment results represents the profit/(loss) earned by each segment without allocation of administrative expenses, certain other revenue and other net gain/(loss), other non-operating expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operation segment:

	Revenue		Segment results	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trading of party products	45,140	92,332	439	(2,896)
Tech-driven investment management	9,221	–	8,552	(6,794)
Trading of commodities	172,350	241,632	(3,139)	6,730
Advancing business	–	–	(670)	(763)
	<u>226,711</u>	<u>333,964</u>	<u>5,182</u>	<u>(3,723)</u>
Reconciliation:				
Net exchange gain/(loss)			482	(3,098)
Bank interest income			10	33
Unallocated corporate expenses			(44,540)	(31,167)
Unallocated corporate income			501	14
Finance costs			(1,582)	(658)
Gain on deregistration of subsidiaries			–	56
Gain on disposal of property, plant and equipment			1,455	4
			<u>(38,492)</u>	<u>(38,539)</u>
Loss before tax			(38,492)	(38,539)
Income tax expense			(1,496)	(168)
			<u>(39,988)</u>	<u>(38,707)</u>
Loss for the year			<u>(39,988)</u>	<u>(38,707)</u>

For the year ended 30 June 2024

	Tech-driven investment management <i>HK\$'000</i>	Advancing business <i>HK\$'000</i>	Trading of party products <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:						
Capital expenditure of property, plant and equipment	-	-	-	-	13,187	13,187
Depreciation on property, plant and equipment	-	-	-	34	6,019	6,053
Depreciation on right-of-use assets	-	297	-	-	15,450	15,747
Unrealised loss on fair value changes in trading securities	21	-	-	-	-	21
	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>

For the year ended 30 June 2023

	Tech-driven investment management <i>HK\$'000</i>	Advancing business <i>HK\$'000</i>	Trading of party products <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:						
Additions of right-of-use assets	-	593	-	-	41,008	41,601
Capital expenditure of property, plant and equipment	-	-	-	-	440	440
Depreciation on property, plant and equipment	-	188	6	9	4,548	4,751
Depreciation on right-of-use assets	-	210	-	-	5,448	5,658
Unrealised loss on fair value changes in trading securities	52	-	-	-	-	52
	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>

(b) Segment Assets and Liabilities

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain right-of-use assets, property, plant and equipment, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain accruals and other payables, certain lease liabilities and tax payables.

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

As at 30 June 2024

	Tech-driven investment management <i>HK\$'000</i>	Advancing business <i>HK\$'000</i>	Trading of party products <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	634,513	199	29,249	49,034	712,995
Bank balances and cash					47,717
Unallocated corporate assets					37,381
					<u>798,093</u>
Consolidated total assets					<u><u>798,093</u></u>
LIABILITIES					
Segment liabilities	(32,177)	(266)	(18,382)	(12,238)	(63,063)
Tax payables					(9,241)
Unallocated corporate liabilities					(32,348)
					<u>(74,652)</u>
Consolidated total liabilities					<u><u>(104,652)</u></u>

As at 30 June 2023

	Tech-driven investment management <i>HK\$'000</i>	Advancing business <i>HK\$'000</i>	Trading of party products <i>HK\$'000</i>	Trading of commodities <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	1,392	501	1	65,360	67,254
Bank balances and cash					89,084
Unallocated corporate assets					<u>50,756</u>
Consolidated total assets					<u><u>207,094</u></u>
LIABILITIES					
Segment liabilities	(1,804)	(580)	(284)	(12,678)	(15,346)
Tax payables					(4,900)
Unallocated corporate liabilities					<u>(44,152)</u>
Consolidated total liabilities					<u><u>(64,398)</u></u>

(c) **Geographic information**

Revenue

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Hong Kong	–	–
Mainland China	190,669	241,632
Singapore	36,036	–
Malaysia	–	92,332
	<u>226,705</u>	<u>333,964</u>
Revenue from other sources		
Hong Kong	<u>6</u>	–
Total	<u>226,711</u>	<u>333,964</u>

Specified Non-current Assets

The following table sets out information about the geographical location of the Group's property, plant and equipment, right-of-use assets and intangible assets (“**Specified Non-current Assets**”). The geographical location of the Specified Non-current Assets is based on (a) the physical location of the assets, in the case of property, plant and equipment and right-of-use assets; (b) the location of the operation to which they are allocated, in the case of intangible assets.

	2024	2023
	HK\$'000	HK\$'000
Hong Kong	1,384	15,074
Mainland China	29,860	29,641

- (d) Revenue from major customer which individually accounts for 10% or more of the Group's revenue from continuing operations is as follows:

	2024	2023
	HK\$'000	HK\$'000
Revenue from customer attributable to trading of commodities business Company A [#]	45,717	–
Revenue from customer attributable to trading of party products business Company B [#]	26,821	–
Revenue from customer attributable to trading of commodities business Company C	19,575	70,542
Revenue from customer attributable to trading of party products business Company D [*]	–	81,797
Revenue from customer attributable to trading of commodities business Company E [*]	–	62,625
Revenue from customer attributable to trading of commodities business Company F [*]	–	41,302

[#] These two customers mentioned above did not individually contribute 10% or more of the total revenue of the Group during the year ended 30 June 2023.

^{*} These three customers mentioned above did not individually contribute 10% or more of total revenue of the Group during the year ended 30 June 2024.

3. REVENUE

The principal activities of the Group are trading of party products, provision of tech-driven investment management services, provision of advancing services and trading of commodities.

Disaggregation of Revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Trading of party products	45,140	92,332
Trading of commodities	172,350	241,632
Performance fee	8,661	–
Technical advise fee	554	–
	<u>226,705</u>	<u>333,964</u>
Revenue from other sources		
Interest income from cash and margin client earned from tech-driven investment management business	6	–
	<u>6</u>	<u>–</u>
Total	<u>226,711</u>	<u>333,964</u>
Disaggregation by timing of revenue recognition within the scope of HKFRS 15		
— Over time	9,215	–
— At a point in time	217,490	333,964
	<u>226,705</u>	<u>333,964</u>

As all revenue contracts have original expected duration of one year or less. The Group has applied the practical expedient under the HKFRS 15 for not disclosing transaction price allocated to unsatisfied performance obligation.

4. OTHER REVENUE AND OTHER NET GAIN/(LOSS)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net exchange gain/(loss)	482	(3,098)
Dividend income	3	6
Interest income	10	33
Sundry income	861	283
Government subsidies (<i>Note</i>)	650	463
Unrealised loss on fair value changes in trading securities	(21)	(52)
Gain on early lease termination	–	598
	<u>1,985</u>	<u>(1,767)</u>

Note: During the current year, the Group recognised government grants of HK\$650,000 related to a scheme in the People's Republic of China (the "PRC") to encourage import and export trading in Shaanxi. For the year ended 30 June 2023, HK\$463,000 was recognised in respect of Employment Support Scheme launched by the HKSAR Government to provide time-limited financial support to employers.

5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	<u>1,582</u>	<u>658</u>

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	2024	2023
	HK\$'000	HK\$'000
Auditor's remuneration		
— Audit service	950	950
— Non-audit service	75	–
Cost of inventories included in cost of sales and services	213,645	330,782
Depreciation		
— Owned property, plant and equipment	6,053	4,751
— Right-of-use assets	15,747	5,658
Staff costs (including directors' emoluments)		
— Salaries, wages and other benefits	16,485	17,592
— Contributions to defined contribution retirement plans	545	445
	<u>545</u>	<u>445</u>

7. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax		
Charge for the year	1,496	–
Current tax — PRC Income Tax		
Charge for the year	–	168
	<u>–</u>	<u>168</u>
Total income tax expense	<u>1,496</u>	<u>168</u>

The provision of Hong Kong Profits Tax for the year ended 30 June 2024 and 2023 was calculated at 16.5%.

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 subsidiaries is 25% for both years.

8. DIVIDENDS

The Board did not recommend any final dividend for the year ended 30 June 2024. No dividend was paid during the year (For the year ended 30 June 2023: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity shareholders of the Company over the weighted average number of ordinary shares in issue during the year.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to equity shareholders of the Company	<u><u>(39,991)</u></u>	<u><u>(38,710)</u></u>
	2024	2023
Weighted average number of ordinary shares	<u><u>543,040,186</u></u>	<u><u>537,245,104</u></u>

Total issued ordinary shares at 30 June 2024 and 30 June 2023 were 558,245,104 shares and 537,245,104 shares respectively.

(b) Diluted loss per share

For the year ended 30 June 2024, the Group had potential ordinary shares, including contingently issuable shares. As the Group incurred losses for the year ended 30 June 2024, the potential ordinary shares were anti-dilutive and excluded from the calculation of diluted loss per share.

For the year ended 30 June 2023, no diluted loss per share is presented as there were no potential ordinary share in issue during the year.

10. LOAN RECEIVABLES

	2024	2023
	HK\$'000	HK\$'000
Loan receivables from advancing business	2,000	2,000
Less: Impairment	(2,000)	(2,000)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	-

- (a) At 30 June 2024, loan receivables were bearing interest at 20% per annum (30 June 2023: 20%), and with maturity date on 28 February 2022. No interest income was recorded during the year ended 30 June 2024, as the borrower had defaulted and the amount was fully impaired in the previous year. At 30 June 2024, the Group had loan receivables due from a borrower who is an independent third party amounting to HK\$2,000,000 (30 June 2023: HK\$2,000,000), of which HK\$2,000,000 was unsecured (30 June 2023: HK\$2,000,000 was unsecured).
- (b) At the end of the Reporting Period, all loan receivables are past due.

11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables arising from dealing in securities	2,759	2,754
Interest receivables arising from advancing business	333	333
Trade receivables arising from trading of party products	28,946	–
Trade receivables arising from trading of commodities	13,206	24,471
Trade receivable arising from provision of tech-driven investment management services	15,957	–
	<u>61,201</u>	<u>27,558</u>
Less: Impairment	(3,082)	(3,082)
	<u><u>58,119</u></u>	<u><u>24,476</u></u>

Customers from trading of party products and commodities are usually offered a credit period of up to 90 days. Customers from provision of tech-driven investment management services are usually offered a credit period of up to 180 days. Customers from dealing in securities are immediately due on settlement date. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

(a) **An ageing analysis of trade receivables based on the date of the invoice and net of provision of impairment loss is as follows:**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	13,206	3,404
31 to 60 days	1,207	18,800
61 to 90 days	9,215	–
Over 90 days	34,491	2,272
	<u>58,119</u>	<u>24,476</u>

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other receivables (<i>note ii</i>)	18,628	10,136
Prepayments and other deposits (<i>note i, ii</i>)	47,257	39,602
	<u>65,885</u>	<u>49,738</u>
Less: Impairment (<i>note ii</i>)	(11,556)	(11,556)
	<u>54,329</u>	<u>38,182</u>
Representing:		
Current portion	49,745	31,428
Non-current portion	4,584	6,754
	<u>54,329</u>	<u>38,182</u>

Note:

- (i) As at 30 June 2024, the Group recorded approximately HK\$34,140,000, HK\$6,470,000 and HK\$6,647,000 of prepayment to suppliers, rental deposits and other deposits respectively (30 June 2023: HK\$26,510,000, HK\$6,512,000 and HK\$6,580,000 respectively). The amount of prepayments and other deposits expected to be recovered or recognised as expense after more than one year is approximately HK\$4,584,000 (30 June 2023: HK\$6,754,000). The remaining amount is expected to be recovered or recognised as expense within one year.
- (ii) Total impairment loss for other receivables and other deposits was approximately HK\$5,556,000 and HK\$6,000,000 respectively (30 June 2023: HK\$5,556,000 and HK\$6,000,000 respectively) as at 30 June 2024. No impairment loss on other receivables and other deposits were made during the Reporting Period (30 June 2023: Nil).

13. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	1,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 July 2022, 30 June 2023 and 1 July 2023	537,245	5,372
Issue of new shares (<i>Note</i>)	21,000	210
At 30 June 2024	558,245	5,582

Note:

On 22 March 2024, 21,000,000 Consideration Shares have been allotted and issued by the Company to Dr. Ye Guanhua at the Issue Price of HK\$5.624 per Consideration Share, in accordance with the Sale and Purchase Agreement on 22 January 2024. The consideration for the Sale and Purchase are settled partial in cash and partial by the allotment and issuance of Consideration Shares. For further details, please refer to the announcement made by the Company dated 23 January 2024, 6 March 2024 and 22 March 2024.

14. TRADE PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables arising from dealing in securities	658	825
Trade payables arising from trading of party products	17,994	–
Trade payables arising from trading of commodities	–	12,510
Trade payables arising from provision of tech-driven investment management services	900	–
	19,552	13,335

The ageing analysis of trade payables arising from trading of party products and trading of commodities and provision of tech-driven investment management services is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	50	–
31 to 60 days	50	11,044
61 to 90 days	50	192
Over 90 days	18,744	1,274
	<u>18,894</u>	<u>12,510</u>

The trade payables arising from trading of party products and trading of commodities and provision of tech-driven investment management services are non-interest-bearing and are normally settled within 90 days. The carrying amounts of the trade payables at the end of the Reporting Period approximated their fair values.

15. EVENT AFTER THE REPORTING PERIOD

No significant events were occurred subsequent to the end of the Reporting Period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

International Genius Company (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated in the Cayman Islands under Companies Act (As Revised) of the Cayman Islands as an exempted company with limited liability on 20 March 2007. The Company’s shares were listed on the Stock Exchange on 19 November 2007. The Annual Results of the Group for the year ended 30 June 2024 (the “**Reporting Period**”) was presented together with the audited comparative figures for the year ended 30 June 2023 (the “**Corresponding Period**”).

The Group is principally engaged in the trading of party products, provision of tech-driven investment management services, provision of advancing business and trading of commodities. The Group remains committed to becoming a global company with financial transaction innovation driven by artificial intelligence (AI) while navigating the challenges presented by global market dynamics to achieve strategic transformation.

FINANCIAL REVIEW

For the year ended 30 June 2024, the Group experienced challenging market conditions, which significantly impacted its financial performance. The total revenue for the period was HK\$226.71 million, representing a decrease of 32.11% from the Corresponding Period’s HK\$333.96 million. This decline in revenue is largely attributed to reduced demand for both party products and commodities within the Group’s trading segment, exacerbated by global overcapacity in manufacturing facilities. Oversupply of these materials, driven by economic downturns in key manufacturing sectors, led to intense price competition and compressed profit margins.

Gross profit for the Reporting Period stood at HK\$13.07 million, a 4 times increase compared to the Corresponding Period’s HK\$3.18 million. Gross profit ratio improved from 0.95% in the Corresponding Period to 5.76% for the Reporting Period. Such increase was mainly contributed by the acquired DNCC business. Operating expenses increased by 35.73% to HK\$53.42 million, up from HK\$39.36 million. The significant rise in operating costs was primarily due to increased depreciation and the allocation of expenses related to the Group’s new head office and principal place of business, which commenced operations in May 2023.

The Group’s net loss attributable to equity shareholders widened to HK\$39.99 million, compared to HK\$38.71 million in the Corresponding Period. Cash and bank balances as of 30 June 2024 stood at HK\$47.72 million, down from HK\$89.08 million in the Corresponding Period.

The Group's total assets were HK\$798.09 million, increased by 285% from HK\$207.09 million in Corresponding Period while its net current assets as of 30 June 2024 were HK\$63.24 million, down from HK\$115.51 million in the Corresponding Period.

BUSINESS REVIEW

Trading of Party Products

The Group's revenue from the party products trading segment saw a sharp decline of 51.11%, driven largely by the strategic shift in focus toward commodities trading. The Group's decision to allocate more resources to other segment reflected a proactive approach to adapting to market demands.

Trading of Commodities

The Group's commodities trading segment was significantly impacted by global economic conditions. The demand for commodities weakened as overcapacity in manufacturing facilities created an oversupply in the market, which reduced pricing power and compressed margins. Revenue from this segment fell by 28.67%, amounting to HK\$172.35 million for the Reporting Period.

Despite these challenges, there were some positive trends in the global market. China's fixed-asset investment grew by 3.6% in the first seven months of 2024, bolstered by strong growth in infrastructure investment and high-tech industries. Moreover, China's foreign trade surged by 7.1% year-on-year in July 2024, with notable export growth in high-tech products such as smartphones, electromechanical devices and cars. These developments suggest potential growth opportunities in the high-tech sector, offering a bright spot for commodity trading related to this industry.

Tech-Driven Investment Management

On 22 March 2024, the Group completed the acquisition of DNCC, a leading research and development and application company specializing in artificial intelligence, deep neural networks, distributed computing, and quantitative trading algorithms. DNCC is an approved manager in the British Virgin Islands ("BVI"), allowing it to act as a manager or advisor to investment funds. It provides a wide range of services, including technical support through cutting-edge technology, distributed neural network algorithms, and robust risk control modules. This acquisition enhances the Group's asset management capabilities, particularly in the areas of AI-driven investment strategies and quantitative trading.

After its acquisition and up to 30 June 2024, this newly acquired subsidiary has contributed around HK\$9.22 million revenue to the Group. With the continued expansion of its clients network, revenue contributed in this segment is expected to be increased.

Advancing Business

The advancing business of the Group was carried out by a wholly-owned subsidiary (“**Subsidiary**”) of the Company under money lenders license granted by the licensing court in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

(a) *The Company’s advancing business*

The Group aims to provide financing to individual and corporate clients of different backgrounds. As the advancing business remains to be limited in scale, the Group targets to source potential client referrals through the business network acquaintances of its existing management and staff. That being the case, the Group does not rule out walk-in clients so long as they can fulfil the relevant credit assessment requirements. The source of funds of the advancing business is funded by the internal resources of the Group.

During the year ended 30 June 2024, the Group had granted loan to nil customer and generated nil revenue from its advancing business.

(b) *Credit risk assessment policy*

The Group has adopted a credit risk policy to manage its advancing business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its/her assets, the credibility of the borrower, and if applicable, the necessity in obtaining collaterals. The credit risk assessment was made on a case-by-case basis by assessing the background of the borrowers, considering size of the loan, the borrower’s financial strength (e.g. ownership of real estate property) and credit history, as well as evaluating whether the borrower is in bankruptcy or liquidation etc. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan may vary. The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

(c) *Internal controls measures*

Credit limits and approvals

The Group generally takes the following steps to determine limits and approvals:

- (a) obtain and review the borrower’s identity proof, such as identity card or passport of individuals and corporate documents of corporate entities;

- (b) obtain and review the borrower's address proof such as utility bills, bank statements or formal correspondence issued by a government/statutory body;
- (c) assess and justify the repayment ability of the borrower by looking into the background of the borrower (including his/her occupation and social status etc.), his/her/its available assets in Hong Kong, previous payments record and other relevant information; and
- (d) conduct credit assessment searches such as desktop searches, land searches, company searches, litigation searches and to obtain credit assessment report issued by independent professional firms if necessary.

The Group maintains proper record and documentation for all results of credit assessments and the grant of loan to borrower is subject to the final review and approval of the management team.

Recoverability and collection

The Group has designated staff to closely monitor its loan portfolio and regularly update credit profile and risk associated with each individual borrower. The Group also keep track of the repayment schedule constantly and makes alerts to the management in case of default or late repayment. On a regular basis, the designated staff checks if there is overdue balances or late payment and the risk management staff performs independent reviews on the loans portfolio and closely monitor the status and report to the management. Internal discussions generally take place on a case-by-case basis to determine the necessary recovery actions, including (but are not limited to) phones calls, statutory demand and formal legal actions.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2024, the Group's cash position and liquidity were significantly impacted by the challenging operating environment. Cash and bank balances stood at HK\$47.72 million, compared to HK\$89.08 million in the Corresponding Period. Net current assets declined from HK\$115.51 million to HK\$63.24 million during the same period, highlighting the need for the Group to carefully manage its liquidity position amidst ongoing market volatility. Despite these challenges, the Group remains committed to maintaining a strong financial foundation and exploring strategic growth opportunities.

CAPITAL STRUCTURE AND FUND-RAISING ACTIVITIES

During the Reporting Period, the Group undertook several important changes to its capital structure:

1. **Issue of Shares to Acquire DNCC:** The Group issued 21,000,000 shares as partial consideration for the acquisition of DNCC. This strategic acquisition allowed the Group to expand into advanced algorithmic and AI-driven investment solutions.
2. **Share Premium Reduction:** During the Extraordinary General Meeting (EGM) held on 21 June 2024, the shareholders approved a reduction of approximately HK\$4,318 million standing to the credit of the share premium account of the Company. Of this amount, approximately HK\$4,176 million was applied to offset the accumulated losses of the Company as at 31 December 2023, and the remaining approximately HK\$142 million was transferred to the retained profit account of the Company.
3. **Approval of a New Share Option Scheme:** At the same EGM, the shareholders also approved the adoption of a new share option scheme. This scheme is aimed at providing incentives to eligible participants, aligning their interests with the long-term success of the Group, and enhancing its ability to attract and retain talent.

As at 30 June 2024 and 30 June 2023, the authorised share capital of the Company was HK\$10,000,000,000 divided into 1,000,000,000,000 shares of HK\$0.01 each. The issued share capital of the Company as at 30 June 2024 was HK\$5,582,451 divided into 558,245,104 shares of HK\$0.01 each, compared to HK\$5,372,451 and 537,245,104 shares of HK\$0.01 each as at 30 June 2023.

Save as disclosed above, for the year ended 30 June 2024, there was no change in the capital structure of the Company.

USE OF PROCEEDS FROM THE RIGHT ISSUE AND SHARE SUBSCRIPTION IN 2020

On 11 September 2020, the Company announced, among other things, a rights issue (the “**Rights Issue**”) at the subscription price of HK\$0.71 per rights share on the basis of three (3) rights shares for every one (1) Consolidated Share held by the qualifying shareholders on the record date; and the issuance of up to 330,664,157 subscription shares (the “**Share Subscription**”) under specific mandate for subscription by Neo Tech Inc., where such shares for subscription shall be equivalent to the number of unsold right shares under the Rights Issue and subject to the public float requirement under the Listing Rules. The Rights Issue and Share Subscription were approved by the shareholders at the extraordinary general meeting of the Company held on 27 November 2020. On 13 January 2021, the Rights Issue was approximately 29.35% subscribed, and the remaining 284,673,884 unsubscribed rights shares, representing approximately 70.65% of the total number of rights shares offered under the Rights Issue, and no unsubscribed rights shares were placed under the compensatory arrangements. Accordingly, on 25 January 2021, 284,673,884 subscription shares were allotted and issued by the Company to Neo Tech Inc. for a total consideration of HK\$202,118,000 at the subscription price of HK\$0.71 per share. The gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue and the Share Subscription are approximately HK\$286 million and approximately HK\$284 million respectively. Details of the Rights Issue and Share Subscription were set out in the circular of the Company dated 4 November 2020, the prospectus of the Company dated 11 December 2020 and the announcements of the Company dated 7 December 2020, 31 December 2020, 13 January 2021 and 25 January 2021 respectively.

The breakdown of the usage of the proceeds up to 30 June 2024 are as follows:

Use of proceeds	Estimated amount <i>HK\$ million</i>	Proposed timeline of the intended use of proceeds	Actual Use of Proceeds for the period from 4 November 2020 to 30 June 2021		Actual Use of Proceeds for the period from 1 July 2021 to 30 June 2022		Actual Use of Proceeds for the period from 1 July 2022 to 30 June 2023		Actual Use of Proceeds for the period from 1 July 2023 to 30 June 2024	
			Unutilised Remaining Proceeds as at 30 June 2021 <i>HK\$ million</i>	Unutilised Remaining Proceeds as at 30 June 2022 <i>HK\$ million</i>	Unutilised Remaining Proceeds as at 30 June 2022 <i>HK\$ million</i>	Unutilised Remaining Proceeds as at 30 June 2023 <i>HK\$ million</i>	Unutilised Remaining Proceeds as at 30 June 2023 <i>HK\$ million</i>	Unutilised Remaining Proceeds as at 30 June 2024 <i>HK\$ million</i>		
Repayment of overdue external debts of the Group	50	Within 6 months after the Rights Issue	50	-	-	-	-	-	-	-
Repayment of the shareholder's loan owing by the Company to Dr. Ng Yu	40	Within 6 months after the Rights Issue	40	-	-	-	-	-	-	-
Repayment of overdue Convertible Bonds	110	Within 12 months after the Rights Issue	-	110	110	-	-	-	-	-
Additional capital for trading of party products business	30	Within 6 months after the Rights Issue	30	-	-	-	-	-	-	-
Additional liquid capital for the tech-driven investment management business	15	Within 6 months after the Rights Issue	15	-	-	-	-	-	-	-
Additional capital for the advancing business of the Group	15	Within 12 months after the Rights Issue	-	15	2	13	-	13	-	13 <i>(Note 1)</i>
General working capital	24	Within 36 months after the Rights Issue	-	24	-	24	24	-	-	-
	<u>284</u>		<u>135</u>	<u>149</u>	<u>112</u>	<u>37</u>	<u>24</u>	<u>13</u>	<u>-</u>	<u>13</u>

In view of the above, the Directors consider that the usage of proceeds from the above Right Issue and Share Subscription are consistent with the original purposes.

Note 1: The unutilised Remaining Proceeds is expected to be used by 30 June 2025.

MERGERS, ACQUISITIONS AND DISPOSAL

On 22 March 2024, the Group has completed the acquisition of the entire issued share capital of DNCC. For details of the transaction, please refer to the Company's announcements dated 23 January 2024, 6 March 2024 and 22 March 2024.

Save as disclosed above, the Group did not have any significant mergers, acquisitions or disposal during the Reporting Period.

SIGNIFICANT INVESTMENTS

The Group did not have any significant investments during the Reporting Period.

CHARGE OF ASSETS

As at 30 June 2024, the Group did not have any charge of assets.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities.

FOREIGN CURRENCY RISK

The Group's main operations are located in Hong Kong and the PRC. Most of the assets, income, payments and cash balance are denominated in Hong Kong dollar, Renminbi and US dollar. The Group did not enter into any forward foreign exchange contracts to manage its foreign currency risk during the Reporting Period as the management considered that the Group's exposure to exchange rate risk could be managed.

HUMAN RESOURCES

As at 30 June 2024, the Group had 35 employees (30 June 2023: 36 employees). It is the Group's policy to recruit the right person for each position based on the person's qualification and experience. The remuneration of each employee is reviewed every year based on the performance of the employee with reference to the prevailing market conditions.

CAPITAL COMMITMENTS

As at 30 June 2024, the Group did not have any material capital commitment.

PROSPECTS

With the completion of the acquisition of DNCC, the Group has expanded its technology-driven asset management business and continued to explore this market. Through the artificial intelligence, deep neural networks, distributed computing, and quantitative trading algorithms established by DNCC, the Group is able to provide customers with customized one-stop scalable AI trading technology solutions, which will be applied in multiple international financial trading sectors.

Globally, AI-driven asset management and quantitative trading have seen rapid growth. The global algorithmic trading market is projected to reach USD42.99 billion by 2030, growing at a compound annual growth rate (CAGR) of 12.2%. This surge is attributed to the increasing demand for fast and reliable order execution, coupled with the ability to reduce transaction costs. Algorithmic trading solutions are widely used in sectors like high-frequency trading, arbitrage, and trend trading strategies.

In addition, the global algorithmic trading market is expected to reach USD26.7 billion by 2027, driven by increased demand for AI and automation in financial services, and the growing adoption of algorithmic trading in stock and foreign exchange markets. The Group's ability to offer cutting-edge AI and quantitative trading solutions provides it with a competitive advantage in this expanding market.

Furthermore, the rising adoption of cloud-based algorithmic trading solutions is another key driver of growth. Cloud-based systems are cost-effective, scalable, and allow businesses of all sizes to access advanced algorithmic trading platforms. This trend opens new opportunities for the Group to offer its services across diverse markets.

As the demand for AI-driven solutions and quantitative trading models continues to grow, the Group is confident that it can capitalize on these trends to further expand its tech-driven investment management footprint. By offering advanced technologies and robust risk management capabilities, the Group is well-positioned to attract institutional investors, hedge funds, and other major financial players.

OTHER INFORMATION

Purchase, Sale or Redemption of Listed Securities

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company for the year ended 30 June 2024.

Compliance with Code on Corporate Governance Practices

For the year ended 30 June 2024, the Company has complied with the code provisions of the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 of the Listing Rules except under C.2.1 of the CG Code, the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual and the division of responsibilities between Chairman and Chief Executive Officer should be established and set out in writing. The Company had no Chairman for the year ended 30 June 2024 since 25 July 2023. The functions of Chairman were performed by the Executive Committee of the Board. The Board considered that this structure had not impaired the balance of the power and authority between the Board and the management of the Company, and had been effective in discharging its responsibilities satisfactorily and facilitating the Company’s operation and business development.

Model Code for Securities Transactions by Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules regarding directors’ dealing in securities. Having made specific enquiries to all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code for the year ended 30 June 2024.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, internal controls and risk management systems of the Group. The Audit Committee currently consists of three independent non-executive Directors of the Company, namely Mr. Yip Tze Wai Albert, Mr. Lo Hang Fong and Mr. Wang Jun Sheng. Mr. Yip Tze Wai Albert is the chairman of the Audit Committee.

The Annual Results have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the Annual Results comply with the applicable accounting principles, standards and requirements, and that adequate disclosures have been made.

Scope of work of McMillan Woods (Hong Kong) CPA Limited

The figures in respect of the Group's consolidated statement of financial position as at 30 June 2024, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in this announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods"), to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by McMillan Woods in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods.

Annual General Meeting

The annual general meeting of the shareholders of the Company will be held in the PRC on Friday, 13 December 2024 at 3 p.m. The notice of annual general meeting will be published and despatched to the shareholders of the Company in due course.

Publication of Annual Results and Annual Report

This Annual Results announcement is published on the websites of the Company (www.geniusi.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 30 June 2024 containing all the information required under the Listing Rules is currently expected to be despatched to the Company's shareholders and available on the above websites on or before 31 October 2024.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution. I would also like to express my appreciation to the continuous support of our shareholders, valuable customers and banks.

On behalf of the Board
International Genius Company
Dr. He Xiaobin
Executive Director

Hong Kong, 30 September 2024

As at the date of this announcement, (i) the executive Director of the Company is Dr. He Xiaobin; (ii) the non-executive Director of the Company is Mr. Dai Chengyan and (iii) the independent non-executive Directors of the Company are Ms. Fong Man Julisa, Mr. Lo Hang Fong, Mr. Wang Jun Sheng and Mr. Yip Tze Wai Albert.