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## **INTERNATIONAL GENIUS COMPANY**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 33)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

The board (the “Board”) of directors (the “Directors”) of International Genius Company (the “Company”) would like to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2024 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2023.

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 31 December 2024*

		<b>For the six months ended 31 December</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>142,376</b>	102,855
Cost of sales and services		<b>(109,656)</b>	(101,208)
<b>Gross profit</b>		<b>32,720</b>	1,647
Other revenue and other net gain/(loss)	5	<b>219</b>	598
Operating expenses		<b>(27,836)</b>	(22,097)
<b>Profit/(loss) from operations</b>		<b>5,103</b>	(19,852)
Finance costs	6(a)	<b>(515)</b>	(870)
<b>Profit/(loss) before tax</b>	6	<b>4,588</b>	(20,722)
Income tax expense	7	<b>(794)</b>	–
<b>Profit/(loss) for the period</b>		<b>3,794</b>	(20,722)

		<b>For the six months ended</b>	
		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
<i>Notes</i>		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive income /(loss) for the period</b>			
Items may be reclassified to profit or loss:			
	Exchange differences on translating financial statements of subsidiaries	(495)	1,967
		<u>(495)</u>	<u>1,967</u>
<b>Total comprehensive profit/(loss) for the period</b>		<b><u>3,299</u></b>	<b><u>(18,755)</u></b>
<b>Profit/(loss) for the period attributable to:</b>			
	Equity shareholders of the Company	3,795	(20,724)
	Non-controlling interests	(1)	2
		<u>3,794</u>	<u>(20,722)</u>
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
	Equity shareholders of the Company	3,301	(18,758)
	Non-controlling interests	(2)	3
		<u>3,299</u>	<u>(18,755)</u>
<b>Earnings/(loss) per share</b>			
	— Basic (HK\$ cents)	9 <u>0.68</u>	<u>(3.86)</u>
	— Diluted (HK\$ cents)	9 <u>0.68</u>	<u>(3.86)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

		As at 31 December 2024	As at 30 June 2024
	<i>Notes</i>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		7,829	10,663
Right-of-use assets		13,846	20,581
Intangible assets and goodwill		605,935	605,935
Deposit paid		4,532	4,584
		<b>632,142</b>	641,763
<b>Current assets</b>			
Inventories		1,666	–
Trading securities		104	91
Loan receivables		–	–
Trade receivables	10	60,757	58,119
Prepayments, deposits and other receivables		42,050	49,745
Client trust bank balance		632	658
Cash and cash equivalents		47,834	47,717
		<b>153,043</b>	156,330
<b>Total assets</b>		<b>785,185</b>	798,093
<b>Capital and reserves</b>			
Share capital	11	5,582	5,582
Reserves		691,130	687,829
		<b>696,712</b>	693,411
Equity attributable to shareholders of the Company		696,712	693,411
Non-controlling interests		28	30
		<b>696,740</b>	693,441
<b>Total equity</b>		<b>696,740</b>	693,441

		As at <b>31 December</b> <b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 30 June 2024 <i>HK\$'000</i> (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		<u>4,621</u>	<u>11,563</u>
<b>Current liabilities</b>			
Trade payables	12	12,493	19,552
Accruals and other payables		19,237	21,324
Consideration payable		30,000	30,000
Lease liabilities		12,272	12,972
Tax payables		<u>9,822</u>	<u>9,241</u>
		<u>83,824</u>	<u>93,089</u>
<b>Total equity and liabilities</b>		<u><b>785,185</b></u>	<u><b>798,093</b></u>
Net current assets		<u>69,129</u>	<u>63,241</u>
Total assets less current liabilities		<u><b>701,361</b></u>	<u><b>705,004</b></u>

## **NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

International Genius Company (the “Company”) was incorporated and domiciled in the Cayman Islands under Companies Law (2004 Revision) 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 of Hong Kong Limited (“Stock Exchange”) on 19 November 2007.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in trading of party products, provision of tech-driven investment management services, provision of advancing services and trading of commodities.

The address of the principal place of business of the Company is 42/F, China Resources Tower, Nanshan District, Shenzhen, Guangdong Province, China and the Company has been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance since 4 September 2007.

### **2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2024 are the same as those presented in the Group’s consolidated financial statements for the year ended 30 June 2024.

#### **Going concern basis**

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

### 3. CHANGE IN ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current*
Amendments to HKAS 1	Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

\* As a consequence of the amendments to HKAS 1 issued in August 2020 and December 2022, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion.

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

### 4. 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 by major products or service lines within the scope of HKFRS 15*

	For the six months ended	
	31 December	2023
	2024	2023
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Trading of party products	–	27,444
Trading of commodities	107,215	75,411
Performance fee	34,785	–
Technical advice fee	376	–
	<hr/>	<hr/>
Total	<b>142,376</b>	<b>102,855</b>
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##### **Disaggregation by timing of revenue recognition within the scope of HKFRS 15**

— At a point in time	107,215	102,855
— Over time	35,161	–
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	<b>142,376</b>	<b>102,855</b>
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## 5. OTHER REVENUE AND OTHER NET GAIN/(LOSS)

	For the six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies ( <i>Note</i> )	406	–
Net exchange (loss)/gain	(440)	326
Interest income	3	5
Dividend income	1	1
Unrealised gain/(loss) on fair value changes in trading securities	13	(15)
Sundry income	56	101
Rental income	180	180
	<u>219</u>	<u>598</u>

*Note:* During the current period, the Group recognised government grants of HK\$406,000 related to a scheme in the People's Republic of China (the "PRC") to encourage import and export trading in Shaanxi.

## 6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(a) Finance costs</b>		
Interest on lease liabilities	508	870
Other interest expense	7	–
	<u>515</u>	<u>870</u>
<b>(b) Other items</b>		
Depreciation on property, plant and equipment	2,755	2,011
Depreciation on right-of-use assets	6,602	7,869
Total	<u>9,357</u>	<u>9,880</u>

## 7. INCOME TAX EXPENSE

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

	<b>For the six months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Current tax — Dubai Corporate Tax		
Charged for the period	<u>794</u>	<u>—</u>
Total income tax charge	<u><u>794</u></u>	<u><u>—</u></u>

No provision for Hong Kong Profits Tax has been made for the six months ended 31 December 2024 as the Group has no assessable profits for the period (For the six months ended 31 December 2023: Nil).

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 the both periods.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is exempted from any income tax in the Cayman Islands and the BVI.

Under the Federal Decree-Law on Corporate Income Tax, the tax rate of the businesses conducting business activities in the Dubai is 9% for the both periods.

## 8. DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2024 and 31 December 2023.



## 9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to equity shareholders of the Company is based on the following data:

	For the six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity shareholders of the Company	<u>3,795</u>	<u>(20,724)</u>
	<b>Number of shares</b>	
The weighted average number of ordinary shares	<u>558,245,104</u>	<u>537,245,104</u>

For the six months ended 31 December 2024 and 2023, no diluted earnings/(loss) per share is presented as there were no potential ordinary shares issued during the period.

## 10. TRADE RECEIVABLES

	At	At
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables arising from dealing in securities	2,760	2,759
Interest receivables arising from advancing business	333	333
Trade receivables arising from trading of party products	1,949	28,946
Trade receivables arising from trading of commodities	13,214	13,206
Trade receivable arising from tech-driven investment management	<u>45,583</u>	<u>15,957</u>
	<b>63,839</b>	61,201
Less: Impairment	<u>(3,082)</u>	<u>(3,082)</u>
	<u><b>60,757</b></u>	<u>58,119</u>

Customers from trading of party products and trading of 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.

The ageing analysis of trade receivables based on the date of the invoice and net of provision of impairment loss is as follows:

	At <b>31 December</b> <b>2024</b> <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
Within 30 days	43,498	13,206
31 to 60 days	3,625	1,207
61 to 90 days	–	9,215
Over 90 days	13,634	34,491
	<u>60,757</u>	<u>58,119</u>

## 11. SHARE CAPITAL

	Number of shares '000	Amount <i>HK\$'000</i>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 July 2023, 30 June 2024, 1 July 2024 and 31 December 2024	<u>1,000,000,000</u>	<u>10,000,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 July 2023	537,245	5,372
Issue of new shares ( <i>Note</i> )	21,000	210
	<u>558,245</u>	<u>5,582</u>
At 30 June 2024, 1 July 2024 and 31 December 2024	<u>558,245</u>	<u>5,582</u>

*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 of 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 announcements made by the Company dated 23 January 2024, 6 March 2024 and 22 March 2024 and note 17 of the annual report for the year ended 30 June 2024.

## 12. TRADE PAYABLES

	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
Trade payables arising from dealing in securities	632	658
Trade payables arising from trading of party products	21	17,994
Trade payables arising from trading of commodities	6,320	–
Trade payables arising from tech-driven investment management	5,520	900
	<u>12,493</u>	<u>19,552</u>

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

	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	4,370	50
31 to 60 days	6,370	50
61 to 90 days	50	50
Over 90 days	1,071	18,744
	<u>11,861</u>	<u>18,894</u>

The trade payables arising from trading of party products, trading of commodities and tech-driven investment management 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.

### 13. 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 (For the six months ended 31 December 2023: 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:

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

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 assets 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. Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that 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	
	For the six months ended		For the six months ended	
	31 December		31 December	
	2024	2023	2024	2023
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Trading of party products	–	27,444	(211)	554
Tech-driven investment management	35,161	–	30,296	(3,908)
Trading of commodities	107,215	75,411	(5,129)	(780)
Advancing business	–	–	(215)	(364)
	<u>142,376</u>	<u>102,855</u>	<u>24,741</u>	<u>(4,498)</u>
Reconciliation:				
Net exchange gain/(loss)			(440)	326
Bank interest income			3	5
Unallocated corporate expenses			(19,257)	(15,786)
Unallocated corporate income			56	101
Finance costs			(515)	(870)
Profit/(loss) before tax			4,588	(20,722)
Income tax expense			(794)	–
<b>Profit/(loss) for the period</b>			<u><b>3,794</b></u>	<u><b>(20,722)</b></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 31 December 2024**

	<b>Tech-driven investment management <i>HK\$'000</i></b>	<b>Advancing business <i>HK\$'000</i></b>	<b>Trading of party products <i>HK\$'000</i></b>	<b>Trading of commodities <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Unaudited</b>					
<b>ASSETS</b>					
Segment assets	664,127	19	1,951	32,859	698,956
Bank balances and cash					47,834
Unallocated corporate assets					38,395
					<u>785,185</u>
Consolidated total assets					<u>785,185</u>
<b>LIABILITIES</b>					
Segment liabilities	(36,712)	(165)	(368)	(7,995)	(45,240)
Tax payables					(9,822)
Unallocated corporate liabilities					(33,383)
					<u>(88,445)</u>
Consolidated total liabilities					<u>(88,445)</u>

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>
Audited					
<b>ASSETS</b>					
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>798,093</u>
<b>LIABILITIES</b>					
Segment liabilities	(32,177)	(266)	(18,382)	(12,238)	(63,063)
Tax payables					(9,241)
Unallocated corporate liabilities					(32,348)
					<u>(104,652)</u>
Consolidated total liabilities					<u>(104,652)</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.

	<b>For the six months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers within the scope of HKFRS 15		
Mainland China	<b>107,215</b>	76,060
Singapore	<b>35,161</b>	26,795
	<u><b>142,376</b></u>	<u>102,855</u>
Total	<u><b>142,376</b></u>	<u>102,855</u>

### ***Specified non-current assets***

The following table sets out information about the geographical location of the Group's property, plant and equipment and right-of-use 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.

	<b>At</b>	<b>At</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2024</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Hong Kong	<b>17</b>	1,383
Mainland China	<b>21,658</b>	29,861

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

	<b>For the six months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from customer attributable to trading of commodities business Company A	<b>30,591</b>	32,787
Revenue from customer attributable to tech-driven investment management Company B <sup>#</sup>	<b>35,161</b>	–
Revenue from customer attributable to trading of commodities business Company C <sup>#</sup>	<b>23,631</b>	–
Revenue from customer attributable to trading of commodities business Company D <sup>#</sup>	<b>14,656</b>	–
Revenue from customer attributable to trading of commodities business Company E <sup>#</sup>	<b>14,247</b>	–
Revenue from customer attributable to trading of party products business Company F <sup>*</sup>	<b>–</b>	26,795

\* This customer did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2024.

# These four customers did not individually contribute 10% or more of total revenue of the Group during the six months ended 31 December 2023.



## 14. RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group had the following significant transactions with related parties:

- (a) As at 31 December 2024, the Group had cash and cash equivalents of HK\$38,502,000 (30 June 2024: HK\$38,502,000) deposited in YF Securities Pte. Ltd, a brokerage company incorporated in Singapore with limited liability and beneficially owned by Dr. Ng Yu (the ultimate controlling party of the Company). The balance was unsecured and no provision for doubtful debts had been made in respect of the balance.
- (b) At at 31 December 2024, the Group had other receivable equivalents of HK\$11,399,000 (30 June 2024: HK\$11,399,000) from a director of a subsidiary. The balance was unsecured and no provision for doubtful debts had been made in respect of the balance.
- (c) As at 31 December 2024, the Group had consideration payable of HK\$30,000,000 (30 June 2024: HK\$30,000,000) from a director of a subsidiary. The balance is unsecured and interest free.
- (d) Compensation to key management of the Group is as follows:

	For the six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	2,931	2,874
Contributions to defined contribution retirement plans	33	27
	<u>2,964</u>	<u>2,901</u>

## 15. CAPITAL COMMITMENTS

As at 31 December 2024 and 30 June 2024, the Group did not have capital commitments contracted but not provided for in the consolidated financial statements.

**16. EVENTS AFTER THE REPORTING PERIOD**

There are no other significant events affecting the Company and its subsidiaries which have occurred after the six months ended 31 December 2024 and up to the date of this announcement.

**17. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2024 were approved by the Board on 28 February 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **COMPANY PROFILE**

International Genius Company (the “Company”, together with its subsidiaries, the “Group”) was incorporated in the Cayman Islands under the Companies Act (As Revised) as an exempted company with limited liability on 20 March 2007. The Company’s shares were listed on the Stock Exchange of Hong Kong Limited on 19 November 2007.

The Group is principally engaged in:

- Tech-driven investment management
- Trading of commodities
- Trading of party products
- Provision of advancing business

The Group remains committed to becoming a leader in artificial intelligence trading technology solutions while navigating market uncertainties and adapting to evolving financial and technological landscapes.

### **FINANCIAL REVIEW**

For the six months ended 31 December 2024, the Group recorded a significant turnaround, mainly attributed to the contribution from tech-driven investment management services.

#### **Revenue and Profitability**

- Total revenue increased by 38.4% to HK\$142.38 million (31 December 2023: HK\$102.86 million).
- Gross profit surged to HK\$32.72 million, compared to HK\$1.65 million in the same period last year.

- Profit from operations amounted to HK\$5.10 million, compared to a loss of HK\$19.85 million in the previous period.
- Net profit for the period was HK\$3.79 million, a significant improvement from a net loss of HK\$20.72 million in the previous period.
- Earnings per share (EPS) improved to HK\$0.68 cents, compared to a loss of HK\$3.86 cents per share.

This strong performance was entirely driven by tech-driven investment management services. Other business segments, particularly commodities and party products trading, continued to experience demand fluctuations and competitive pricing pressures.

## **BUSINESS REVIEW**

### **Tech-Driven Investment Management – Key Growth Driver**

A major factor in the Group's financial turnaround was the success of its tech-driven investment management services. This segment specializes in:

- AI-powered investment strategies
- Distributed computing and quantitative trading
- Advanced risk management and algorithmic trading models

The acquisition of Deep Neural Computing Company Limited (DNCC) in March 2024 significantly expanded the Group's investment management capabilities, allowing it to act as a fund manager and AI-driven financial solutions provider.

During the reporting period, tech-driven investment management services generated HK\$35.16 million in revenue, positioning it as the Group's most profitable segment. The increasing adoption of AI in financial markets is expected to further drive growth in this area.

## **Trading of Commodities**

The commodities trading segment generated HK\$107.22 million in revenue, up from HK\$75.41 million in the prior period. However, profitability remained weak, with the segment recording a loss of HK\$5.13 million. The decline in profits was primarily due to:

- Weaker demand for raw materials in China's traditional industries.
- Overcapacity and intense price competition in global commodities markets.

The Group continues to monitor market conditions and adjust its trading strategies to adapt to shifting industry trends.

## **Trading of Party Products**

Revenue from the party products trading segment declined to zero, compared to HK\$27.44 million in the previous period. This decline was due to:

- A strategic shift away from this low-margin business.
- Fierce competition and lower pricing power following the post-pandemic recovery in global logistics.

The Group has reallocated resources from this segment to focus on higher-margin businesses like tech-driven investment management services.

## **Advancing Business**

The advancing business segment did not generate revenue during the reporting period. The Group continues to manage its existing loan portfolio and explore potential opportunities in this sector.

The advancing business is operated under a wholly-owned subsidiary with a money lenders license in Hong Kong. The Group continues to assess credit risk carefully and maintains strict lending policies to ensure loan recoverability.

## Liquidity and Financial Resources

- Cash and bank balances stood at HK\$47.83 million (30 June 2024: HK\$47.72 million), maintaining a stable liquidity position.
- Net current assets increased to HK\$69.13 million (30 June 2024: HK\$63.24 million), demonstrating stronger financial health.
- Total assets stood at HK\$785.19 million, compared to HK\$798.09 million as of 30 June 2024.
- Total liabilities decreased to HK\$88.45 million, compared to HK\$104.65 million, reflecting improved financial stability.

Despite higher operating expenses of HK\$27.84 million (31 December 2023: HK\$22.10 million), the Group maintains a strong cash flow position due to the success of its tech-driven investment management services.

## Prospects and Future Plans

Following the successful acquisition of DNCC, the Group has significantly strengthened its tech-driven investment management business. Over the past six months, this segment has not only generated stable revenue contributions but has also demonstrated strong growth potential.

As global financial markets continue to evolve, AI and automation have become critical in improving investment decision-making and optimizing trading strategies. AI applications in asset management have expanded from basic data analysis to enhanced risk management, market forecasting, and real-time strategy execution, increasing efficiency and cost-effectiveness. The Group expects these trends to accelerate in the coming years, further benefiting its investment management business.

To capitalize on these developments, the Group will focus on:

### **1. *Enhancing Core Algorithmic Trading Technology***

- o Further refine the proprietary AI trading system to improve market adaptability.
- o Optimize the IGC Prophet algorithm to increase prediction accuracy and trading performance.

## **2. *Expanding Global Market Reach***

- o Strengthen presence in Asia (Hong Kong, Singapore) and explore expansion into the US and Europe.
- o Target institutional investors, hedge funds, and asset management firms seeking AI-powered investment solutions.

## **3. *Strengthening Risk Management and Compliance***

- o Upgrade risk control models to enhance portfolio resilience during market volatility.
- o Implement stricter compliance frameworks to meet international regulatory standards for AI-based trading.

## **4. *Exploring Emerging Technologies for Competitive Advantage***

- o Research the use of reinforcement learning and generative AI to further enhance automated trading models.
- o Integrate cloud computing and blockchain technology to improve scalability and security of trading platforms.

The Group will also continue monitoring market conditions in the commodities trading sector to identify high-return opportunities while optimizing its resource allocation strategy.

Considering current market trends and the Group's growth trajectory, management remains cautiously optimistic for the next six months. The Group will continue to enhance its AI-driven investment management capabilities, strengthen its market position, and explore international expansion to achieve sustainable long-term growth and shareholder value maximization.

## **CAPITAL STRUCTURE AND FUND-RAISING ACTIVITIES**

As at 31 December 2024, the authorized share capital of the Company was HK\$10,000,000,000 divided into 1,000,000,000,000 shares of HK\$0.01 each, and the issued share capital of the Company was HK\$5,582,451 divided into 558,245,104 shares of HK\$0.01 each.

On 12 December 2024, the Company entered into a subscription agreement with a subscriber pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe for a maximum of 110,000,000 subscription shares at HK\$2.75 per shares. Up to the date of this announcement, no subscription shares has been issued. For details of this subscription, please refer to the Company's announcement dated 12 December 2024.

For the Reporting Period ended 31 December 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 approximately 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 proceeds up to 31 December 2024 are as follows:

Use of proceeds	Estimated amount HK\$ million	Actual		Actual		Actual		Actual		
		Use of Proceeds for the period from 4 November 2020 to 30 June 2021	Unutilised Remaining Proceeds as at 30 June 2021	Use of Proceeds for the period from 1 July 2021 to 30 June 2022	Unutilised Remaining Proceeds as at 30 June 2022	Use of Proceeds for the period from 1 July 2022 to 30 June 2023	Unutilised Remaining Proceeds as at 30 June 2023	Use of Proceeds for the period from 1 July 2023 to 30 June 2024	Unutilised Remaining Proceeds as at 30 June 2024	Use of Proceeds for the period from 1 July 2024 to 31 December 2024
Use of proceeds		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Proposed timeline of the intended use of proceeds										
Repayment of overdue external debts of the Group	50	50	-	-	-	-	-	-	-	-
Repayment of the shareholder's loan owing by the Company to Dr. Ng Yu	40	40	-	-	-	-	-	-	-	-
Repayment of overdue Convertible Bonds	110	-	110	110	-	-	-	-	-	-
Additional capital for trading of party products business	30	30	-	-	-	-	-	-	-	-
Additional liquid capital for the securities brokerage and assets management business	15	15	-	-	-	-	-	-	-	-
Additional capital for the advancing business of the Group	15	-	15	2	13	-	13	-	-	13
General working capital	24	-	24	-	24	24	-	-	-	-
<b>Total</b>	<b>284</b>	<b>135</b>	<b>149</b>	<b>112</b>	<b>37</b>	<b>24</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>

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:* Considering the past track record of the advancing business and the current economic conditions in Hong Kong, the Group has decided to slow down the development of this business to better manage the collectability risks and delay the use of proceeds for a period. The unutilised Remaining Proceeds is expected to be used by 30 June 2025.

## **MERGERS, ACQUISITIONS AND DISPOSAL**

The Group did not have any other significant merger, acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

## **SIGNIFICANT INVESTMENTS**

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

## **CHARGE OF ASSETS**

As at 31 December 2024, the Group did not have any charge of assets.

## **CONTINGENT LIABILITIES**

As at 31 December 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 31 December 2024, the Group had 22 employees (30 June 2024: 35 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 31 December 2024, the Group did not have any material capital commitment.

## **PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

During the Reporting Period, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules except for the following:

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 of the Board during the Reporting Period, the functions of the Chairman of the Board were performed by the Executive Committee of the Board. The Board considered that this structure would 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. The Company is in the process of identifying suitable candidate(s) to fill the vacancy in the office of the Chairman of the Board.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix C3 of the Listing Rules regarding directors’ securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

## **AUDIT COMMITTEE**

The audit committee of the Company has, together with the Directors, reviewed this interim results announcement and the unaudited interim condensed consolidated financial statements, accounting principles and practices adopted by the Group for the Reporting Period.

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

Hong Kong, 28 February 2025

*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.*