

The Companies Announcements Office
The Australian Securities Exchange Limited

Date: 28 August 2024

APPENDIX 4E - PRELIMINARY FINAL REPORT

The results for the announcement to the market are as follows: -

1. The current reporting period is 12 months ended 30 June 2024 (FY24). For comparative purpose, the previous reporting period was 12 months ended 30 June 2023 (FY23).
2. Results for announcement to the market

Key information relating to the above reporting periods is as follows: -

	FY24 \$	FY23 \$	% change
Revenue from ordinary activities	10,474,758	15,792,350	(33%)
Loss after tax from ordinary activities attributable to members	(12,588,592)	(5,775,845)	118%
Net loss attributable to members	(12,588,592)	(5,775,845)	118%
Net tangible assets per issued security	0.0898	0.1425	(37%)
Final dividend			
- Amount per issued security	NIL	NIL	N/A
- Franked amount per issued security	NIL	NIL	N/A
Final dividend dates			
- Record date	N/A	N/A	N/A
- Payment date	N/A	N/A	N/A

- 3 to 9. Please refer to the attached financial statements prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Dividend distribution and dividend reinvestment plan

There was no dividend distribution or dividend reinvestment plan in operation during the year.

10. Details of entities over which control has been gained or lost during the year are as follows:
 - a) No entity has been acquired during the year.
 - b) No entity has been incorporated during the year.
 - c) The Company disposed entire equity interest (60%) in ICS Funding Ptd. Ltd. on 31 May 2024.
 - d) The Company discontinued the operation of HKBNPL Investments Limited on 21 December 2023.
11. There are no associates or joint venture entities.
12. The Company is not a foreign entity.
13. See commentary and the attached financial statements.
14. The full financial statements are in the process of being audited.

Commentary on the results for the year

The Group engaged in financial services in Australia, Hong Kong and Singapore.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Continued operations

Revenue

The Group revenue decreased by 33% from \$15.7m for the year ended 30 June 2023 to \$10.4m for the year ended 30 June 2024, such decrease was predominately derived from the decline in credit financing service income and interest income from the Singaporean subsidiary (HHC).

Revenue from credit financing service income and interest income in Singapore decreased by 75% from \$5.2m for the year ended 30 June 2023 to \$1.3m for the year ended 30 June 2024.

Revenue from debt restructuring, personal insolvency and BNPL service in Hong Kong decreased by 9% from \$7m for the year ended 30 June 2023 to \$6.4m for the year ended 30 June 2024.

Revenue from debt solution service and finance service in Australia decreased by 25% from \$3.6m for the year ended 30 June 2023 to \$2.7m for the year ended 30 June 2024.

Expenses

Overall expenses were increased from \$20m for the year ended 30 June 2023 to \$24m for the year ended 30 June 2024. The Group recorded impairment losses on intangible assets amounted to \$9.4m (FY23: \$5.2m), as the carrying amount of goodwill of ICS and HHC was higher than their recoverable amount.

Loss for the year

As a result of the foregoing, the net loss attributable to members increased from \$5.8m for the year ended 2023 to \$12.6m for the year ended 30 June 2024, representing an increase of 118%.

Discontinued operations

A discontinued operation is a component of the Group that is distinguishable by reference to a line of business, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with view to sale. Given that HKBNPL and ICS are discontinued and disposed respectively during the year, the comparative figures for the corresponding period were re-presented.

The results of discontinued operations are disclosed in note 12.

Consolidated Statement of Financial Position

The net assets of the Group were \$8.7m as at 30 June 2024 (30 June 2023: \$22m).

As at 30 June 2024, cash and cash equivalents amounted to \$1.4m (30 June 2023: \$5.4m). During the year, the Group increased pledged deposits from 200k to 680k and repaid the bond amounted to \$1.1m to the lender. As at 30 June 2024, there was no outstanding balance of other borrowings.

As at 30 June 2024, the Group had loan receivables of \$2m (30 June 2023: 5.3m). The decrease in loan receivables was due to the decline in crediting financing business.

As at 30 June 2024, intangible assets were 863k (30 June 2023: \$22m). The decrease in intangible assets was due to impairment losses \$9.4m (FY23: \$5.2m) were recognised during the year.

Consolidated Statement of Cash Flows

The Group reported cash outflow from operating activities for FY24 of 711k (FY23: cash inflow 4.1m), mainly reflecting the decrease in revenue from credit financing service. No major capital expenditure is expected for the Group's business activity in the foreseeable future.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Notes	2024 \$	2023 \$(Represented)
Continuing operations			
Service revenue	2a	9,567,841	12,874,993
Credit financing interest revenue	2b	906,917	2,917,357
Other income		257,119	301,864
Bad debts written off and loss allowances		(1,165,837)	(2,907,548)
Employee benefits expense		(6,891,366)	(8,316,661)
Other expenses		(4,064,406)	(2,890,559)
Impairment losses	6	(9,464,821)	(5,243,471)
Finance costs		(28,838)	(215,706)
Loss before income tax from continuing operations		(10,883,391)	(3,479,731)
Income tax expense	3	(159,930)	(815,135)
Loss for the year from continuing operations		(11,043,321)	(4,294,866)
Discontinued operations			
	12		
Loss for the year from discontinued operations after tax		(2,249,289)	(687,036)
Loss for the year		(13,292,610)	(4,981,902)
Other comprehensive income			
Items that may or will be reclassified to profit or loss			
Exchange differences on translating foreign operations, net of tax		245,950	939,978
Total comprehensive loss for the year, net of tax		(13,046,660)	(4,041,924)
Net (loss)/profit attributable to:			
Members of the parent entity		(12,588,592)	(5,775,845)
Non-controlling interest		(704,018)	793,943
		(13,292,610)	(4,981,902)
Total comprehensive (loss)/income attributable to:			
Members of the parent entity		(12,391,516)	(5,000,709)
Non-controlling interest		(655,144)	958,785
		(13,046,660)	(4,041,924)
Loss per share			
	11		
Basic & diluted			
From continuing operations		(0.1260)	(0.0632)
From discontinued operations		(0.0184)	(0.0065)
From continuing operations and discontinued operations		(0.1444)	(0.0697)

Consolidated Statement of Financial Position

As at 30 June 2024

		2024	2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,430,621	5,457,764
Pledged deposits		680,743	201,019
Trade and other receivables	4	1,416,668	1,272,208
Loan receivables	5	2,036,786	5,387,892
Current tax assets		196,485	7,962
Other current assets		259,865	267,602
Assets held for sale	12	119,735	-
TOTAL CURRENT ASSETS		6,140,903	12,594,447
NON-CURRENT ASSETS			
Plant and equipment		491,079	215,920
Right-of-use assets		178,421	311,281
Trade and other receivables	4	4,385,270	3,239,305
Loan receivables	5	73,713	127,276
Deferred tax assets		533,147	357,597
Intangible assets	6	863,750	10,350,951
TOTAL NON-CURRENT ASSETS		6,525,380	14,602,330
TOTAL ASSETS		12,666,283	27,196,777
CURRENT LIABILITIES			
Trade and other payables		2,009,407	1,426,415
Lease liabilities		106,304	192,566
Contract liabilities		87,604	127,575
Amounts due to vendors		-	699,643
Other borrowings	7	-	1,089,139
Liabilities directly associated with assets held for sale	12	21,621	-
TOTAL CURRENT LIABILITIES		2,224,936	3,535,338
NON-CURRENT LIABILITIES			
Lease liabilities		78,057	121,888
Deferred tax liabilities		1,321,618	917,027
Amounts due to directors		264,052	368,319
TOTAL NON-CURRENT LIABILITIES		1,663,727	1,407,234
TOTAL LIABILITIES		3,888,663	4,942,572
NET ASSETS		8,777,620	22,254,205
EQUITY			
Issued capital	8	22,764,076	22,074,790
Reserves		2,153,818	2,362,207
Accumulated losses		(17,692,666)	(5,517,417)
Equity attributable to owners of the parent entity		7,225,228	18,919,580
Non-controlling interest		1,552,392	3,334,625
TOTAL EQUITY		8,777,620	22,254,205

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital	Accumulated Losses	Merger Reserve	Foreign Currency Translation Reserve	Option Reserve	Total	Non- controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1.7.2022	21,705,165	199,334	11,037	904,165	236,089	23,055,790	2,689,970	25,745,760
Comprehensive income:								
Loss for the year	-	(5,775,845)	-	-	-	(5,775,845)	793,943	(4,981,902)
Other comprehensive income for the year	-	-	-	775,136	-	775,136	164,842	939,978
Total comprehensive income for the year	-	(5,775,845)	-	775,136	-	(5,000,709)	958,785	(4,041,924)
Transactions with owners, in their capacity as owners, and other transfers								
Allotment of shares	369,625	-	-	-	-	369,625	-	369,625
Capital injection from non-controlling Interest	-	-	-	-	-	-	127,312	127,312
Options expense recognised in the year	-	-	-	-	494,874	494,874	-	494,874
Expiry of options	-	59,094	-	-	(59,094)	-	-	-
Dividend distribution from a subsidiary	-	-	-	-	-	-	(441,442)	(441,442)
Total transactions with owners and other transfers	369,625	59,094	-	-	435,780	864,499	(314,130)	550,369
Balance at 30.6.2023	22,074,790	(5,517,417)	11,037	1,679,301	671,869	18,919,580	3,334,625	22,254,205
Balance at 1.7.2023	22,074,790	(5,517,417)	11,037	1,679,301	671,869	18,919,580	3,334,625	22,254,205
Comprehensive income:								
Loss for the year	-	(12,588,592)	-	-	-	(12,588,592)	(704,018)	(13,292,610)
Other comprehensive income for the year	-	-	-	197,076	-	197,076	48,874	245,950
Total comprehensive income for the year	-	(12,588,592)	-	197,076	-	(12,391,516)	(655,144)	(13,046,660)
Transactions with owners, in their capacity as owners, and other transfers								
Allotment of shares	689,286	-	-	-	-	689,286	-	689,286
Disposal of a subsidiary	-	-	-	-	-	-	(229,937)	(229,937)
Options expense recognised in the year	-	-	-	-	7,878	7,878	-	7,878
Expiry of options	-	413,343	-	-	(413,343)	-	-	-
Dividend distribution from a subsidiary	-	-	-	-	-	-	(897,152)	(897,152)
Total transactions with owners and other transfers	689,286	413,343	-	-	(405,465)	697,164	(1,127,089)	(429,925)
Balance at 30.6.2024	22,764,076	(17,692,666)	11,037	1,876,377	266,404	7,225,228	1,552,392	8,777,620

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,674,408	7,678,882
Payments to suppliers and employees		(9,983,052)	(9,933,638)
Interest received		4,149	3,983
Bank charges and interest		(240,955)	(222,626)
Income tax paid		(105,563)	(1,062,846)
		(2,651,013)	(3,536,245)
Changes in operating assets arising from cash flow movements:			
Customer loans		1,939,251	7,691,040
Net cash (used in)/generated from operating activities	9	(711,762)	4,154,795
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(117,314)	(26,985)
Pledged deposits		(489,366)	(199,097)
Disposal of a subsidiary		(21,395)	-
Net cash used in investing activities		(628,075)	(226,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment of lease liabilities		(503,721)	(664,861)
Capital injection from non-controlling interest		-	127,312
Accounts with directors		(104,170)	20,640
Repayment of other borrowings		(1,176,685)	(1,370,337)
Dividend distribution from a subsidiary to non-controlling shareholders		(897,152)	(528,586)
Net cash used in financing activities		(2,681,728)	(2,415,832)
Net (decrease)/increase in cash and cash equivalents held		(4,021,565)	1,512,881
Cash and cash equivalents at beginning of the year		5,457,764	3,589,354
Effect of foreign currency translation		(5,578)	355,529
Cash and cash equivalents at end of the year		1,430,621	5,457,764

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

1 Operating segment

The Group has three reportable segments which are the Group's strategic business units, namely i) debt solution and finance service, ii) debt restructuring and personal insolvency service and iii) credit financing.

All of the Group's financial information is reported to the Board as three single segments. Accordingly, all significant operating decisions are based upon an analysis of the Group into three segments. The consolidated financial results from these segments are equivalent to the financial statements of the Group as a whole.

During the year, the Group operated in Australia, Hong Kong and Singapore.

(i) Revenue by operating segment

	Continuing operations							
	Debt solution and finance service		Debt restructuring, personal insolvency		Credit financing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
External sales	2,706,967	3,568,680	6,424,146	7,030,081	1,343,645	5,193,589	10,474,758	15,792,350
Inter-segment sales	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total segment revenue	2,706,967	3,568,680	6,424,146	7,030,081	1,343,645	5,193,589	10,474,758	15,792,350
Reconciliation of segment revenue to Group revenue								
Unallocated revenue	-	-	-	-	-	-	-	-
Total group revenue							10,474,758	15,792,350
Segment profit/(loss) before tax	951,335	1,979,025	(412,612)	989,523	(909,016)	949,847	(370,293)	3,918,395
Reconciliation of segment result to Group net profit/(loss) before tax								
Amounts not included in segment result but reviewed by the Board:								
Unallocated items:								
- Corporate expenses							(1,048,277)	(2,154,655)
- Impairment loss on intangible assets							(9,464,821)	(5,243,471)
- Finance costs							-	-
- Other							-	-
Net loss before tax from continuing operations							(10,883,391)	(3,479,731)
Net loss before tax from discontinued operations							(2,265,367)	(677,778)

(ii) Assets and liabilities by operating segment

	Debt solution and finance service		Debt restructuring, personal insolvency		Credit financing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	7,835,506	16,227,666	2,450,768	2,916,682	2,380,009	8,052,429	12,666,283	27,196,777
Segment liabilities	2,892,957	2,876,255	734,186	1,513,735	261,520	552,582	3,888,663	4,942,572

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

	2024	2023
	\$	\$
1 Operating segment (continued)		
(iii) Revenue by geographical region		
Revenue attributable to external customers is disclosed below, based on the location of the external customer:		
Australia	2,706,967	3,568,680
Hong Kong	6,424,146	7,030,081
Singapore	1,343,645	5,193,589
	<u>10,474,758</u>	<u>15,792,350</u>
(iv) Assets by geographical region		
The location of segment assets by geographical location of the assets is disclosed below:		
Australia	7,784,307	16,227,666
Hong Kong	2,450,768	2,916,682
Singapore	2,380,009	8,052,429
	<u>12,615,084</u>	<u>27,196,777</u>
2a Service Revenue		
Debt solution and finance service	2,706,967	3,568,680
Debt restructuring, personal insolvency and BNPL service	6,424,146	7,030,081
Credit financing service income	436,728	2,276,232
	<u>9,567,841</u>	<u>12,874,993</u>
2b Credit financing interest revenue	<u>906,917</u>	<u>2,917,357</u>
Total revenue	<u>10,474,758</u>	<u>15,792,350</u>
Timing of revenue recognition		
Over time	7,991,707	12,520,760
At point in time	2,483,051	3,271,590
	<u>10,474,758</u>	<u>15,792,350</u>
3 Income tax		
The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions during the period presented.		
The Company, CHT and Yozo are subject to Australian tax. Hong Kong profits tax is calculated at 8.25% of the first HK\$ 2 million estimated assessable profit and 16.5% above HK\$ 2 million estimated assessable profits derived in Hong Kong. Singapore profits tax is calculated at 17% of estimated assessable profits.		
The components of tax expense comprise:		
Current tax - Australia	165,989	600,069
Current tax – Hong Kong	-	79,517
Current tax – Singapore	(6,059)	135,549
Income tax reported in consolidated statement of profit or loss	<u>159,930</u>	<u>815,135</u>

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

	2024	2023
	\$	\$
4 Trade and other receivables		
Current	1,576,463	1,434,587
Allowance for expected credit losses	(159,795)	(162,379)
	1,416,668	1,272,208
Non-current	4,385,270	3,239,305
Allowance for expected credit losses	-	-
	4,385,270	3,239,305
	5,801,938	4,511,513

Trade receivable from debt solution services normally span over 6-12 months from the date of billing. They are paid when the settlements are negotiated or if they are part of a refinance they are paid when the loan is settled. Trade receivable from debt arrangement services span over 60 months from the date of billing. They are paid in equal monthly instalments. The management of the Group recognized allowance for expected credit losses of \$159,795 during the year (2023: \$131,088).

Accounts receivable from creditors of bankrupts are generally transferred from the estate bank accounts in the name of bankrupts to the Group. Accounts receivable from creditors of bankrupts are normally settled within 15 days from the month end when the Group is entitled to recognise any revenue arising from the personal insolvency service. The management of the Group believes that no provision for expected credit losses is necessary as at 30 June 2024 (2023: Nil) and the balances are considered fully recoverable. The Group does not hold any collateral over these balances.

Trade receivable from SME and individuals BNPL services normally span 3 months from the date of billing.

5 Loan receivables

Loan receivables – third parties	6,011,210	9,955,344
Allowance for expected credit losses	(3,900,711)	(4,440,176)
	2,110,499	5,515,168
Current portion	2,036,786	5,387,892
Non-current portion	73,713	127,276
	2,110,499	5,515,168

The maturity date of the loans ranges from 3 months to 36 months. They are due within 5 business days from the maturity date.

The loan receivables are bearing interest rate at 0.6% to 8% per month to corporates and not more than 4% per month to individuals. All the loan receivables to corporates are guaranteed by the shareholders and directors of these borrowers.

There has been no change in the estimation techniques or significant assumptions made during the year.

A loan receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

There is no other class of financial assets that is past due and/or impaired except for loan receivables.

The parent entity did not have any loan receivables as at reporting date.

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

6 Intangible assets

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method);
- (iii) the acquisition date fair value of any previously held equity interest; and
- (v) less the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

	2024	2023
	\$	\$
<u>Goodwill</u>		
ICS**	2,457,512	4,959,448
HHC**	7,007,309	8,291,515
CHT	691,396	691,396
Yozo*	-	981,272
Impairment loss	(9,464,821)	(5,243,471)
Foreign exchange adjustment	-	476,057
	<u>691,396</u>	<u>10,156,217</u>

* - Fully impaired as at 30 June 2023

** - Fully impaired as at 31 December 2023

Software

Carrying amount at beginning of the year	194,734	432,621
(Government grant)/Additions	-	(176,693)
Amortisation	(22,380)	(67,477)
Foreign exchange adjustment	-	6,283
Carrying amount at end of the year	<u>172,354</u>	<u>194,734</u>
Total intangible assets	<u>863,750</u>	<u>10,350,951</u>

Goodwill impairment test

Goodwill is allocated to the Company's cash generating units "CGUs" which are based on individual entity's acquired by the Group. The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with Australian Accounting Standard AASB 136, "Impairment of Assets", the Company performed its goodwill impairment test by comparing the recoverable amount of each CGU with its carrying amount. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond 5 years extrapolated using an estimated long term growth rate. The cash flows are discounted using the yield of a 5-year weighted average cost of capital (WACC) at the beginning of the budget period.

The following key assumptions were used in the value-in-use calculations:

CGU	Long Term Growth Rate	Discount Rate
CHT	1.8%	13.02%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Impairment loss		
ICS	2,457,512	2,653,878
HHC	7,007,309	1,608,321
Yozo	-	981,272
	<u>9,464,821</u>	<u>5,243,471</u>

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

	2024	2023
	\$	\$

6 Intangible assets (continued)

Based on the performance of ICS and HHC and the information obtained, a number of competitors entered the credit financing market. Changes in market demand, consumer preferences and industry trends reduced their market share. As a result, the businesses in Singapore recorded a decrease in revenue and made losses during the year. Therefore, impairment losses of \$9,464,821 were recognised in the consolidated statement of profit or loss in the year.

7 Other borrowings

Bond	-	1,089,139
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On 15 July 2023, the Group entered into a bond subscription agreement with an individual, who is an independent third party, to borrow an aggregate amount of \$1.17m (including extension of part of the existing other borrowing and interest accrual amounting to \$957k and \$131k respectively). This new and/or extended borrowing is unsecured, interest-bearing at 15% per annum (2023: 15%), repayable on 31 July 2024. On 22 November 2023, the Group repaid the bond early with the principal sum of \$1.1m and accrued interest of \$67k to the Lender. As at 30 June 2024, there was no outstanding balance of other borrowings.

8 Issued capital

88,045,211 (2023: 83,499,160) fully paid ordinary shares	22,764,076	22,074,790
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9 Cash flow information

Reconciliation of cash flow from operating activities with loss after income tax:

Loss from continuing operations after income tax	(11,043,321)	(4,294,866)
Loss from discontinued operations after income tax	(2,249,289)	(687,036)
Loss after income tax	(13,292,610)	(4,981,902)
Bad debts written-off and loss allowances	3,072,949	3,521,088
Depreciation on plant and equipment	162,059	118,907
Depreciation on right-of-use assets	170,668	576,868
Amortisation on software	22,380	67,477
Impairment loss on goodwill	9,464,821	5,243,471
Finance costs	67,037	183,739
Exchange loss/(gain)	226,020	(122,536)
Share-based payments	7,878	1,065,693
Loss on disposal of a subsidiary	125,187	-
Loss on disposal of plant and equipment	11,041	-
Movements in working capital		
Effect of foreign currency translation	61,323	289,976
Trade and other receivables	(1,410,161)	(2,678,313)
Loan receivables	(238,994)	1,110,747
Other current assets	(7,298)	184,395
Trade and other payables	845,442	307,806
Contract liabilities	(39,971)	(516,721)
Accounts with directors	(97)	4,155
Income tax payable	40,564	(220,055)
Net cash (used in)/generated from operating activities	(711,762)	4,154,795

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

10 Interests in other entities

The Group's subsidiaries at 30 June 2024 are set out below. The subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of Entity	Country of Incorporation	Principal Place of Business	Ownership Interest 2024 %	Ownership Interest 2023 %
Credit Intelligence Holding Limited	Cayman Islands	Hong Kong	100	100
Hong Kong Debt Management Limited	British Virgin Island	Hong Kong	100	100
Hong Kong Insolvency Service Limited formerly known as Hong Kong Debt Management Services Limited	Hong Kong	Hong Kong	100	100
Hong Kong I.V.A. Consultants Limited	British Virgin Island	Hong Kong	100	100
Credit Intelligence Finance (Hong Kong) Limited	Hong Kong	Hong Kong	100	100
Credit Intelligence (Singapore) Holdings Limited	Cayman Islands	Singapore	100	100
ICS Funding Pte Ltd	Singapore	Singapore	Nil	60
Hup Hoe Credit Pte Ltd	Singapore	Singapore	60	60
Chapter Two Holdings Pty Ltd	Australia	Australia	60	60
Chapter Two Australia Pty Ltd	Australia	Australia	60	60
Chapter Two Mortgages Pty Ltd	Australia	Australia	60	60
BNPL International Limited	British Virgin Island	Hong Kong	100	100
HKBNPL Investments Limited	Hong Kong	Hong Kong	81.2	81.2
Yozo Finance Pty Ltd	Australia	Australia	60	60
OneStep Information Technology Limited	British Virgin Island	Hong Kong	60	60
Hong Kong BNPL Limited	Hong Kong	Hong Kong	60	60

11 Loss per share

	2024	2023
	\$	\$
Weighted average number of shares used in		
Basic loss per share calculation	87,148,456	82,845,155
Diluted loss per share calculation	88,958,456	92,655,155
Loss for the period used in loss per share		
From continuing operations	(10,978,003)	(5,237,179)
From discontinued operations	(1,610,589)	(538,666)
From continuing and discontinued operations	(12,588,592)	(5,775,845)
Basic & diluted loss per share		
Basic & diluted loss per share from continuing operations	(0.1260)	(0.0632)
Basic & diluted loss per share from discontinued operations	(0.0184)	(0.0065)
Basic & diluted loss per share from continuing and discontinued operations	(0.1444)	(0.0697)

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

12 Discontinued operations

A discontinued operation is a component of the Group that is distinguishable by reference to a line of business, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with view to sale. When an operation is classified as discontinued, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

HKBNPL is mainly engaged in providing personal BNPL services. During the year, it recorded a loss of \$502k (FY23: \$663k). To adopt a cost saving plan for the continuing loss-making business, the Company discontinued its operations in December 2023.

As a result, all of the assets and liabilities associated with HKBNPL and its subsidiaries are classified as held for sale, and its related business is classified as discontinued operations.

On 31 May 2024, the Company disposed its entire equity interest (60%) in its partly owned subsidiary, ICS to an independent third party for \$183,784, thereby discontinuing its operations in the credit financing business segment.

The financial performance of the discontinued operation of HKBNPL, which is included in loss from discontinued operations in the consolidated statement of profit or loss and other comprehensive income, is as follows:

	2024	2023
	\$	\$
Results of discontinued operation (HKBNPL)		
Revenue	99,968	39,004
Expenses	<u>(602,742)</u>	<u>(702,158)</u>
Loss before income tax	(502,774)	(663,154)
Income tax expense	-	-
Loss from discontinued operation	<u>(502,774)</u>	<u>(663,154)</u>
Cash flows from discontinued operation:		
Net cash outflow from operating activities	(502,774)	(663,154)
Net cash inflow/(outflow) from investing activities	-	-
Net cash inflow from financing activities	<u>429,581</u>	<u>614,518</u>
Net decrease in cash generated by the discontinued operation	<u>(73,193)</u>	<u>(48,636)</u>
Assets and liabilities directly associated with assets held for sale as at 30 Jun 2024		
Assets		
Cash and cash equivalents	<u>119,735</u>	
Total assets held for sale	<u>119,735</u>	
Liabilities		
Trade and other payables	<u>(21,621)</u>	
Total liabilities directly associated with assets held for sale	<u>(21,621)</u>	
Net assets held for sale	<u>98,114</u>	

Notes to the Consolidated Financial Statements For the year ended 30 June 2024

12 Discontinued operations (continued)

The financial performance of the discontinued operation of ICS to the date of sale, which is included in loss from discontinued operations in the consolidated statement of profit or loss and other comprehensive income, is as follows:

	2024	2023
	\$	\$
Results of discontinued operation (ICS)		
Revenue	422,847	822,670
Expenses	(2,185,441)	(837,294)
Loss before income tax	(1,762,594)	(14,624)
Income tax expense	16,079	(9,258)
Loss from discontinued operation	(1,746,515)	(23,882)
Cash flows from discontinued operation		
Net cash (outflow)/inflow from operating activities	(87,069)	17,661
Net cash (outflow)/inflow from investing activities	-	180,387
Net cash outflow from financing activities	(31,111)	(441,165)
Net decrease in cash generated by the discontinued operation	(118,180)	(243,117)
Loss on disposal of discontinued operation		
Assets and liabilities held at disposal date:		
Cash and cash equivalents	224,550	
Other current assets	4,678	
Loan receivables	570,714	
Right-of-use assets	29,091	
Trade and other payables	(240,829)	
Tax payables	(45)	
Lease liabilities	(29,879)	
Net assets disposed	558,280	
Net assets allocated in non-controlling interest	(229,938)	
Foreign exchange adjustment	(19,371)	
Total cash consideration received	(183,784)	
Loss on disposal of discontinued operation	125,187	