

Victor Group Holdings Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Victor Group Holdings Limited
ABN: 12 345 678 901
Reporting period: For the half-year ended 31 December 2024
Previous period: For the half-year ended 31 December 2023

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	5.5%	to	4,983,546
Profit from ordinary activities after tax attributable to the owners of Victor Group Holdings Limited	up	347.5%	to	1,433,647
Profit for the half-year attributable to the owners of Victor Group Holdings Limited	up	347.5%	to	1,433,647

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$1,433,647 (31 December 2023: loss of \$579,265).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.14</u>	<u>0.01</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
LIT Technology	25.00%	-	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	-
Income tax on operating activities			-	-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year report.

11. Attachments

Details of attachments (if any):

The Half-year report of Victor Group Holdings Limited for the half-year ended 31 December 2024 is attached.

12. Signed

Signed  _____

Date: 28 February 2025

William Hu
Independent Chairman

Victor Group Holdings Limited

ABN 12 345 678 901

Half-year report - 31 December 2024

Victor Group Holdings Limited

Directors' report

31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Victor Group Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Victor Group Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr William Hu
Mr Zhenxian Wu
Mr Guojun Liang

Principal activities

During the financial half-year, the principal activities of the consolidated entity included: providing Infrastructure-as-a-Service (IaaS), Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) solutions; building and operating cloud-based platforms for education and data management platform for corporate and government clients; and providing cloud-based e-learning solutions for educational institutions.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,433,647 (31 December 2023: loss of \$579,265).

Financial performance highlights

For the half-year ended 31 December 2024, sales revenue decreased by 5.5% to \$4,983,546 (2023: \$5,273,918), reflecting a shift in revenue composition. Despite the decline in sales revenue, gross profit increased by 88.7% to \$2,224,520 (2023: \$1,178,757), driven by a strategic focus on higher-margin services. Consequently, the gross profit margin improved significantly to 44.6% for the reporting period, primarily due to the absence of pre-customer expense write-offs, which impacted the prior-year margin of 22.4%.

During the reporting period, the company resumed inventory purchases of online course packages amounting to \$2,734,184, responding to market demand for inventory sales and customisation services. This decision was made despite the continued strategic focus on SaaS and customised software development, allowing the company to diversify revenue streams and enhance market responsiveness. The inventory primarily comprises online course packages for resale, over which the company holds the right to use and resell but does not own the copyright.

Additionally, the company disposed of a portion of its intangible asset (software), realising a \$223,989 gain on the sale. These assets were generating diminishing cash flows over the past two years, leading to the decision to optimise the company's asset portfolio.

Strategic Developments & Business Expansion

The consolidated entity completed the acquisition of a 25% stake in LIT Technology Pty Ltd ("LIT"), a Vietnam-based digital payment solutions provider, for A\$4,320,000 through the issuance of 80,000,000 shares at A\$0.054 per share.

LIT operates within the high-growth fintech sector, offering digital payments, micro-lending, and "Buy Now, Pay Later" (BNPL) services. Vietnam's digital payment market is forecasted to grow from USD 24 billion in 2023 to USD 42.5 billion by 2027, presenting substantial growth opportunities for LIT.

The company pursued a strategic shift towards SaaS, IaaS, and PaaS solutions, which contributed significantly to revenue growth. However, management recognised continued market demand for inventory sales and customisation services within its subsidiary Shenghan. Consequently, the company resumed inventory purchases amounting to \$2,734,184, ensuring that the group remains responsive to market needs while maintaining its strategic focus on higher-margin services.

With slower-than-expected market expansion in Australia, management is reviewing operational costs and exploring new strategies to drive commercial growth, particularly in data storage, e-commerce, and third-party payment solutions. The company continues to diversify its product offerings, leveraging both inventory sales and customised software development to maximise shareholder value.

Victor Group Holdings Limited
Directors' report
31 December 2024

Outlook

The consolidated entity expects to build on the momentum from software development and operational service contracts, shifting further away from traditional inventory-based revenue streams.

The Australian market expansion strategy is under review, with potential opportunities in adjacent technology and financial services sectors.

The LIT investment is expected to contribute positively over time, given the high-growth digital payments landscape in Vietnam.

Management remains focused on improving operational efficiencies, strengthening financial performance, and leveraging strategic investments to maximise shareholder value.

Overall, Victor Group Holdings Limited is well-positioned to capitalise on emerging technology trends, digital financial services, and cloud-based solutions, ensuring sustainable growth in the upcoming financial periods.

Significant changes in the state of affairs

During the half-year ended 31 December 2024, the company completed the acquisition of a 25% equity interest in LIT Technology Pty Ltd for a total consideration of A\$4,320,000, which was satisfied through the issuance of 80,000,000 fully paid ordinary shares at A\$0.054 per share. This transaction resulted in an increase in issued capital and a corresponding recognition of an investment in associate, reflecting the company's expansion into digital financial services in Vietnam. The transaction was approved by shareholders on 16 September 2024 and has been accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Aside from this investment, there were no other significant changes in the state of affairs of the company during the financial half-year.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



William Hu
Independent Chairman

28 February 2025



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28 February 2025

Board of Directors
Victor Group Holdings Limited
Level 26, 1 Bligh Street
Sydney, NSW 2000

Dear Sirs

RE: VICTOR GROUP HOLDINGS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Victor Group Holdings Limited.

As Audit Director for the review of the financial statements of Victor Group Holdings Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Sam Tirodkar
Director



Victor Group Holdings Limited

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General information

The financial statements cover Victor Group Holdings Limited as a consolidated entity consisting of Victor Group Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Victor Group Holdings Limited's functional and presentation currency.

Victor Group Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 26, 1 Bligh Street
Sydney, New South Wales 2000

Principal place of business

Room Y223,868 ChangPing Road,
JingAn District, Shanghai, 200041 People's Republic of China

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.

Victor Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue			
Operating revenue	5	4,983,546	5,273,918
Cost of sales		<u>(2,759,026)</u>	<u>(4,095,161)</u>
Gross profit		2,224,520	1,178,757
Gain on sale of intangible assets	6	223,989	333,819
Expenses			
Employee benefits expense		(78,154)	(91,167)
General and administration expense		(171,869)	(96,011)
Pre-customer preparation expense	7	-	(1,121,124)
Depreciation and amortisation expense		(764,644)	(783,264)
Finance costs		<u>(195)</u>	<u>(275)</u>
Profit/(loss) before income tax expense		1,433,647	(579,265)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(loss) after income tax expense for the half-year attributable to the owners of Victor Group Holdings Limited		1,433,647	(579,265)
 Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange gain/(loss) arising on the translation of foreign operations		<u>545,083</u>	<u>(64,237)</u>
Other comprehensive income for the half-year, net of tax		<u>545,083</u>	<u>(64,237)</u>
Total comprehensive income for the half-year attributable to the owners of Victor Group Holdings Limited		<u>1,978,730</u>	<u>(643,502)</u>
		Cents	Cents
Basic earnings per share	16	0.25	(0.10)
Diluted earnings per share	16	0.25	(0.10)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Victor Group Holdings Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		841,878	1,332,258
Trade and other receivables		1,105,170	2,967,943
Contract assets		-	753,729
Inventories	8	2,734,184	-
Payments in advance (Deferred cost of goods sold)		698,880	-
Prepayments		1,707,533	694,296
Total current assets		<u>7,087,645</u>	<u>5,748,226</u>
Non-current assets			
Investments accounted for using the equity method	9	4,320,000	-
Property, plant and equipment		1,099,556	1,114,308
Right-of-use assets		188,386	356,371
Intangibles	10	5,413,427	6,501,101
Payments in advance (Deferred cost of goods sold)		212,562	-
Total non-current assets		<u>11,233,931</u>	<u>7,971,780</u>
Total assets		<u>18,321,576</u>	<u>13,720,006</u>
Liabilities			
Current liabilities			
Trade and other payables	11	3,850,494	5,674,878
Contract liabilities		877,800	1,084,929
Income tax		373,979	316,337
Employee benefits		44,790	40,637
Total current liabilities		<u>5,147,063</u>	<u>7,116,781</u>
Non-current liabilities			
Contract liabilities		271,558	-
Employee benefits		11,514	10,514
Total non-current liabilities		<u>283,072</u>	<u>10,514</u>
Total liabilities		<u>5,430,135</u>	<u>7,127,295</u>
Net assets		<u>12,891,441</u>	<u>6,592,711</u>
Equity			
Issued capital	12	9,814,446	5,494,446
Reserves		1,427,659	882,576
Retained profits		1,649,336	215,689
Total equity		<u>12,891,441</u>	<u>6,592,711</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Victor Group Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Foreign exchange translation reserve \$	Statutory reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	5,494,446	172,524	557,514	3,746,915	9,971,399
Loss after income tax expense for the half-year	-	-	-	(579,265)	(579,265)
Other comprehensive income for the half-year, net of tax	-	(64,237)	-	-	(64,237)
Total comprehensive income for the half-year	-	(64,237)	-	(579,265)	(643,502)
Balance at 31 December 2023	<u>5,494,446</u>	<u>108,287</u>	<u>557,514</u>	<u>3,167,650</u>	<u>9,327,897</u>

Consolidated	Issued capital \$	Foreign exchange translation reserves \$	Statutory reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	5,494,446	325,062	557,514	215,689	6,592,711
Profit after income tax expense for the half-year	-	-	-	1,433,647	1,433,647
Other comprehensive income for the half-year, net of tax	-	545,083	-	-	545,083
Total comprehensive income for the half-year	-	545,083	-	1,433,647	1,978,730
Shares issued for LIT Technology investment	4,320,000	-	-	-	4,320,000
Balance at 31 December 2024	<u>9,814,446</u>	<u>870,145</u>	<u>557,514</u>	<u>1,649,336</u>	<u>12,891,441</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Victor Group Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	8,017,456	3,483,735
Payments to suppliers and employees	(9,387,698)	(3,605,315)
Interest and other finance costs paid	(195)	(275)
	<u>(1,370,437)</u>	<u>(121,855)</u>
Net cash used in operating activities		
	<u>-</u>	<u>-</u>
Net cash from investing activities		
	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds of borrowings from related parties	632,134	157,000
	<u>632,134</u>	<u>157,000</u>
Net cash from financing activities		
	<u>632,134</u>	<u>157,000</u>
Net increase/(decrease) in cash and cash equivalents	(738,303)	35,145
Cash and cash equivalents at the beginning of the financial half-year	1,332,258	766,726
Effects of exchange rate changes on cash and cash equivalents	247,923	(93,875)
	<u>247,923</u>	<u>(93,875)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>841,878</u></u>	<u><u>707,996</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. Nature of Operations

Victor Group Holdings Limited and its controlled entities ('consolidated entity') principal activities of the consolidated entity included: providing Infrastructure-as-a-Service (IaaS), Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) solutions; building and operating cloud-based platforms for education and data management platform corporate and government clients; and providing cloud-based e-learning solutions for educational institutions.

The consolidated entity currently operates in the People's Republic of China and Australia.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim consolidated financial statements (the interim financial statements) of the consolidated entity are for the half-year ended 31 December 2024 and are presented in Australian dollars (\$), which is the functional currency of the parent company.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There was no impact arising from the adoption of those new Standards and Interpretations, nor do the directors foresee any material impact arising on future financial statements upon the adoption of those Standards and Interpretations that will be due for adoption in future reporting periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Material accounting policy information (continued)

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the consolidated entity recorded a net profit after tax of \$1,433,647 and had net cash outflows from operating activities of \$1,370,437 for the period ended 31 December 2024. As at that date, the consolidated entity had a cash balance of \$841,878, and net working capital surplus of \$1,940,582.

The consolidated entity is actively looking to grow its revenue through a focused strategy that requires cash outflows attached to growth measures including:

- Developing and expanding its information technology stack;
- Marketing initiatives to expand its customer base, both domestically and abroad; and
- Administratively supporting such activities

All such cash outflows, although significant in the context of the cashflow forecast, can be if necessary, curtailed in the event that the consolidated entity does not maintain a healthy cash balance to support those activities.

In the event that the forecast growth is not met, selected shareholders have represented that should the consolidated entity require financial support, they will have the intention and the ability to support the consolidated entity with additional funding for at least 12 months from the date of signing the financial report.

These events and conditions and items above indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above operating results and funding requirements, the financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates normal business activity, realisation of assets and the settlement of liabilities in the normal course of business for the following reason:

The Directors will continue to monitor the ongoing funding requirements of the consolidated entity. As a consequence of the above, the directors believe that, notwithstanding the consolidated entity's operating results for the period and funding requirements, the consolidated entity will be able to continue as a going concern and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Non-recognition of deferred tax assets

We apply management judgement to recognise a deferred tax asset and review its carrying amount at each reporting date. The carrying amount is only recognised to the extent that it is probable that sufficient taxable profit will be available in the future to utilise this benefit. Any amount unrecognised could be subsequently recognised if it has become probable that future taxable profit will allow us to benefit from this deferred tax asset.

Multiple element contracts

SaaS, IaaS and PaaS solution contracts entered into by the consolidated entity require management judgement in the identification of performance obligations. The consolidated entity assesses each customer contract individually into its elements and considers if any element should be aggregated where they cannot be separately determined. Revenue is assigned to each performance obligation based on the stand-alone fair value of the component relevant to the total contract value.

Victor Group Holdings Limited
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Note 4. Operating segments

The consolidated entity is organised into predominantly 2 operating segments: The first consisting of SaaS, IaaS and PaaS solutions and the second being Cloud Education. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity is managed primarily on the basis of product category and service offerings as the diversification of the consolidated entity's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. There have been no changes from prior period in the measurement methods used to determine operating segments and reported profit and loss.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment; and
- the type of class of customer for the products and services.

Types of products and services

The principal products and services of each of these operating segments are as follows:

SaaS, IaaS and PaaS	Software as a Service, Infrastructure as a Service, Platform as a Service solutions; and Solutions
Cloud Education	Cloud Education

Major Customers

	31 December 2024 \$	31 December 2024 %	31 December 2023 \$	31 December 2023 %
Customer A - IaaS and Cloud Education	103,009	2%	33,122	1%
Customer B - IaaS	-	-	103,953	2%
Customer C - PaaS, IaaS and SaaS	1,966,509	39%	-	-
Customer D - PaaS	-	-	1,918,310	36%
Customer E - Cloud Education	-	-	1,135,646	22%
Customer F - PaaS	-	-	858,670	16%
Customer G - PaaS and Cloud Education	-	-	1,023,721	19%
Customer H - PaaS, IaaS and SaaS	2,912,031	58%	-	-
Customer I - Cloud Education and Consulting	1,997	-	-	-
	<u>4,983,546</u>		<u>5,073,422</u>	
	SaaS, IaaS and PaaS solutions \$	Cloud Education \$	Other segments \$	Total \$

31 December 2024

Revenue

Sales to external customers	4,981,549	-	1,997	4,983,546
Segment cost of sales	(2,709,635)	(49,391)	-	(2,759,026)
Gross Profit	<u>2,271,914</u>	<u>(49,391)</u>	<u>1,997</u>	<u>2,224,520</u>
Other revenue	-	-	223,989	223,989
Total revenue	<u>2,271,914</u>	<u>(49,391)</u>	<u>225,986</u>	<u>2,448,509</u>
EBITDA	<u>2,057,951</u>	<u>(49,391)</u>	<u>189,926</u>	<u>2,198,486</u>
Depreciation and amortisation	-	-	-	(764,644)
Finance costs	-	-	-	(195)
Loss before income tax expense	-	-	-	<u>1,433,647</u>
Income tax expense	-	-	-	-
Loss after income tax expense	-	-	-	<u>1,433,647</u>

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 4. Operating segments (continued)

31 December 2023	Saas, IaaS and PaaS solutions \$	Cloud Education \$	Other segments \$	Total \$
Revenue				
Sales to external customers	3,800,061	1,273,360	200,497	5,273,918
Segment cost of sales	<u>(3,192,966)</u>	<u>(711,721)</u>	<u>(190,474)</u>	<u>(4,095,161)</u>
Gross Profit	607,095	561,639	10,023	1,178,757
Other revenue	-	-	333,819	333,819
Total revenue	<u>607,095</u>	<u>561,639</u>	<u>343,842</u>	<u>1,512,576</u>
EBITDA	<u>(95,055)</u>	<u>326,356</u>	<u>(27,027)</u>	<u>204,274</u>
Depreciation and amortisation	-	-	-	(783,264)
Finance costs	-	-	-	(275)
Loss before income tax expense	-	-	-	<u>(579,265)</u>
Income tax expense	-	-	-	-
Loss after income tax expense	-	-	-	<u>(579,265)</u>

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2024 \$	31 December 2023 \$
<i>Major product lines</i>		
SaaS, IaaS and PaaS solutions	4,981,549	3,800,061
Cloud Education	-	1,273,360
Consulting	1,997	200,497
	<u>4,983,546</u>	<u>5,273,918</u>
<i>Geographical regions</i>		
China	<u>4,983,546</u>	<u>5,273,918</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>4,983,546</u>	<u>5,273,918</u>

Revenue relating to performance obligations that are unsatisfied as at Half-year Report - 31 December 2024 amounting to \$1,149,358 (30 June 2024: \$1,084,929), which have been recognised as contract liabilities under current and non-current liabilities.

Note 6. Gain on sale of intangible assets

	31 December 2024 \$	31 December 2023 \$
Gain on sale of intangible assets	<u>223,989</u>	<u>333,819</u>

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 6. Gain on sale of intangible assets (continued)

During the period ended 31 December 2024 the consolidated entity sold non-core intangible assets for total consideration of \$1,106,708, which at the date of sale had a carrying value of \$882,719 book value. Management assessed the ability of these intangible assets to generate cash flow comparative to its residual and potential re-sale value and determined that it was in the consolidated entities best interests to dispose of these intangible assets.

Note 7. Pre-customer preparation expense

	31 December 2024 \$	31 December 2023 \$
Pre-customer preparation expense	-	<u>1,121,124</u>

Pre-customer preparation expenses comprise of costs incurred by the consolidated entity as part of planned customised software in advance of customer contracts being agreed. They represent the purchase of the right to use the underlying code of pre-existing softwares and to use this code to customise and develop their own copyrighted software products which are subsequently sold to third parties, in advance of any agreed contracts with third parties in place to purchase the newly customised and copyrighted software. Pre-customer preparation expenses also include the costs incurred to customise the underlying code by outsourced third parties.

As the consolidated entity has only purchased the right to use the underlying code of pre-existing softwares and do not own the copyright of this, they do not hold ownership of the underlying code to which they have purchased the right to use. This, in addition to there not being an established market for the customised software due to the absence of a contract with a customer and the bespoke software that will be developed has resulted in these costs not being capitalised under AASB 138 para 57 and no asset has been recognised on the balance sheet. Rather, these costs have been expensed to the statement of profit or loss.

There was no pre-customer preparation expense incurred during the 2024 half-year period. Consequently, the gross profit margin for the half-year improved significantly to 44.6%, compared to the prior-year margin of 22.4%.

Note 8. Current assets - inventories

	31 December 2024 \$	30 June 2024 \$
Inventories	<u>2,734,184</u>	<u>-</u>

As at 31 December 2024, the consolidated entity held inventory amounting to \$2,734,184 (30 June 2024: \$nil).

The inventory primarily comprises online course packages held for resale. The company holds the right to use and resell these packages but does not own the copyright to the underlying content. The company recognises inventory at the lower of cost and net realisable value in accordance with AASB 102 - Inventories.

Note 9. Non-current assets - investments accounted for using the equity method

	31 December 2024 \$	30 June 2024 \$
Investment in associate	<u>4,320,000</u>	<u>-</u>

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 9. Non-current assets - investments accounted for using the equity method (continued)

On 3 December 2024, Victor Group Holdings Limited (VIG) acquired a 25% equity stake in LIT Technology Pty Ltd (LIT), a company incorporated in Vietnam, for a total consideration of A\$4,320,000. The investment was settled through the issue of 80,000,000 fully paid ordinary shares in VIG at A\$0.054 per share. The transaction was subject to shareholder approval, which was obtained on 16 September 2024.

LIT Technology is engaged in providing digital payment solutions and financial services to small and medium enterprises (SMEs) and consumers in Vietnam. Given VIG's 25% ownership and its ability to exert significant influence over LIT's financial and operating policies, the investment is classified as an associate under AASB 128 – Investments in Associates and Joint Ventures and is accounted for using the equity method.

VIG's share of LIT's results for the period from 3 December 2024 to 31 December 2024 was immaterial and, in accordance with AASB 128, has not been included in the statement of profit or loss and other comprehensive income for the half-year period.

Note 10. Non-current assets - intangibles

	31 December 2024	30 June 2024
	\$	\$
Software - at cost	9,754,353	10,927,045
Less: Accumulated amortisation	<u>(4,340,926)</u>	<u>(4,425,944)</u>
	<u><u>5,413,427</u></u>	<u><u>6,501,101</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	\$
Balance at 1 July 2024	6,501,101
Disposals	(925,258)
Exchange differences	372,150
Amortisation expense	<u>(534,566)</u>
Balance at 31 December 2024	<u><u>5,413,427</u></u>

Note 11. Current liabilities - trade and other payables

	31 December 2024	30 June 2024
	\$	\$
Trade payables	2,312,671	4,791,339
Related party loans	<u>1,537,823</u>	<u>883,539</u>
	<u><u>3,850,494</u></u>	<u><u>5,674,878</u></u>

Payables to related parties are unsecured, non-interest bearing, payable at call, and carry no equity conversion features (see note 14). The related parties have written to the directors of the Company confirming that they will not call upon these amounts payable for a period of at least 13 months from the date of signing this report in the event that such a call would restrict the availability of the Group's working capital to continue to pursue its business activities.

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 12. Equity - issued capital

	31 December 2024 Shares	31 December 2023 Shares	31 December 2024 \$	31 December 2023 \$
Ordinary shares - fully paid	<u>652,226,672</u>	<u>572,226,672</u>	<u>9,814,446</u>	<u>5,494,446</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	572,226,672		5,494,446
Shares issued for LIT Technology investment	3 December 2024	<u>80,000,000</u>	\$0.05	<u>4,320,000</u>
Balance	31 December 2024	<u>652,226,672</u>		<u>9,814,446</u>

During the period, the company issued 80,000,000 fully paid ordinary shares at A\$0.054 per share as consideration for the acquisition of a 25% interest in LIT Technology Pty Ltd. These shares rank pari passu with existing ordinary shares.

The newly issued shares are voluntarily escrowed until 2 December 2025, subject to board approval. During the escrow period, the shares cannot be sold, transferred, or otherwise dealt with unless otherwise approved by the Board.

There were no other material changes to the share capital during the period.

Note 13. Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2024 (30 June 2024:nil).

Note 14. Related party transactions

Parent entity

Victor Group Holdings Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

Advance Received

Norman Liang	204,000	242,000
Shanghai Yinghuan International Trading co. Ltd.	<u>444,160</u>	<u>-</u>
	<u>648,160</u>	<u>242,000</u>

Receivable from related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Victor Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 14. Related party transactions (continued)

	Consolidated	
	2024	2023
	\$	\$
Loans payable:		
Daybreak Corporations Limited	194,639	194,639
Yingda (Norman) Liang	892,900	688,900
Shanghai Yinguan International Trading Co. Ltd.	444,160	-

Daybreak Corporations Limited holds 69.90% (2024: 69.90%) share interest in the Group.

Yingda (Norman) Liang holds 2.63% (2024: 2.63%) share interest in the Group.

Shanghai Yinghuan International Trading Co. Ltd. (Yinguan) is a related party of the 'Legal Representative of the subsidiary Shanghai Shenghan Information Technology Co. Limited (Shenghan). This a short-term borrowing that was repaid in January 2025. Shenghan did not have any business with Yinguan.

Terms and conditions

All non-loan related party transactions are on commercial terms and conditions no more favourable than those available to other parties unless stated otherwise. The loans received from related parties are non-interest-bearing loans.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 16. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
Profit/(loss) after income tax attributable to the owners of Victor Group Holdings Limited	<u>1,433,647</u>	<u>(579,265)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>578,180,730</u>	<u>572,226,672</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>578,180,730</u>	<u>572,226,672</u>
	Cents	Cents
Basic earnings per share	0.25	(0.10)
Diluted earnings per share	0.25	(0.10)

Victor Group Holdings Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



William Hu
Independent Chairman

28 February 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
VICTOR GROUP HOLDINGS LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Victor Group Holdings Limited ("the Company") and its controlled entities (collectively "the Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Victor Group Holdings Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Victor Group Holdings Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 28 February 2025.

Material Uncertainty Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2 to the financial statements, the consolidated financial statements have been prepared on a going concern basis. As at 31 December 2024, the Group had cash and cash equivalents of \$841,878, operating cash outflows of \$1,161,843 and recorded a profit after income tax of \$1,433,647.

The Company has stated that it is actively looking to grow its revenue through a focused strategy that requires cash outflows. This requires the Company to monitor on-going funding requirements that may require on-going funding support from shareholders. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

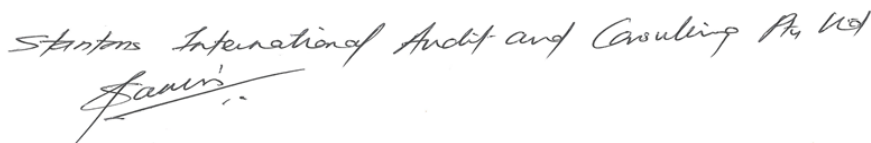
Responsibility of the Directors for the Financial Report

The directors of Victor Group Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)**

Sam Tirodkar
Director

West Perth, Western Australia
28 February 2025