

# KELFRED

HOLDINGS LIMITED

恒發光學控股有限公司

2024

Interim Report



Incorporated in the Cayman Islands  
with limited liability  
Stock code: 1134

# CONTENTS

- 2** Corporate Information
- 3** Management Discussion and Analysis
- 10** Corporate Governance
- 11** Other Information
- 16** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 17** Condensed Consolidated Statement of Financial Position
- 19** Condensed Consolidated Statement of Changes in Equity
- 20** Condensed Consolidated Statement of Cash Flows
- 21** Notes to the Condensed Consolidated Interim Financial Information

# CORPORATE INFORMATION

## Executive Directors

Mr. Kwok Kwan Fai  
Mr. Kwok Kwan Yu

## Non-Executive Directors

Mr. Kwok Mau Kwan  
Ms. Chan Yin Wah

## Independent Non-Executive Directors

Mr. Hong Sze Lung  
Mr. Chu Kin Ming  
Mr. Chan Hon Wah

## Company Secretary

Ms. Leong Kai Weng Subrina

## Authorised Representatives

Mr. Kwok Kwan Fai  
Ms. Leong Kai Weng Subrina

## Audit Committee

Mr. Chu Kin Ming (*Chairman*)  
Mr. Hong Sze Lung  
Mr. Chan Hon Wah

## Remuneration Committee

Mr. Chan Hon Wah (*Chairman*)  
Mr. Chu Kin Ming  
Mr. Hong Sze Lung  
Mr. Kwok Kwan Fai

## Nomination Committee

Mr. Kwok Kwan Fai (*Chairman*)  
Mr. Chan Hon Wah  
Mr. Chu Kin Ming  
Mr. Hong Sze Lung

## Risk Management Committee

Mr. Hong Sze Lung (*Chairman*)  
Mr. Chu Kin Ming  
Mr. Chan Hon Wah

## Registered Office

Windward 3, Regatta Office Park,  
P.O. Box 1350, Grand Cayman KY1-1108,  
Cayman Islands

## Headquarters and Principal Place of Business in Hong Kong

Workshops 1605–1606, 16/F., Block B  
New Trade Plaza  
6 On Ping Street  
Sha Tin, New Territories  
Hong Kong

## Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park,  
P.O. Box 1350, Grand Cayman KY1-1108,  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Legal Advisers

**As to Hong Kong law:**  
Jeffrey Mak Law Firm

## Principal Banks

DBS Bank (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited

## Company Website

[www.kelfred.com.hk](http://www.kelfred.com.hk)

## Stock Code

1134

# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (“**Director(s)**”) of Kelfred Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**We**”) for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023.

## BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 June 2024, the Group continued to be engaged in the manufacture and sale of eyewear products. We have two major production bases established in Shenzhen and Jiangxi, the People’s Republic of China (the “**PRC**”), which have made the Group capable of manufacturing eyewear products of various dimensions and specifications as required by its customers. The Group produces and sells a wide range of spectacle frames and sunglasses mainly through original design manufacturing (“**ODM**”) and original equipment manufacturing (“**OEM**”) business models. It offers integrated and customised services which include product design and development, raw materials procurement, production, quality control, packaging and delivery. In addition to the traditional OEM and ODM business models, the Group also offers its original brand manufacturing (“**OBM**”) products under the brand “Miga”. Leveraging on over 30 years of experience in the eyewear industry, the Group prides itself on its broad network of renowned and trusted customers worldwide (who are primarily international eyewear retailers, trading companies and licensed brand owners). It has produced quality eyewear products under its customers’ designated brand names and sold the same to over 35 countries in the past few years, among which Europe accounted for the largest market of the Group.

For the six months ended 30 June 2024, the Group recorded a revenue of approximately HK\$197.4 million, representing an increase of approximately 1.2% as compared to the six months ended 30 June 2023, generated from sales from eyewear products.

The economic landscape remains uncertain as when it moves into the latter half of 2024 and looking ahead to 2025. Major central banks, including the European Central Bank, have continued to implement tight monetary policies, though the pace of interest rate hikes has moderated. The Eurozone faces persistent inflationary pressures, largely driven by on-going supply chain disruptions and geopolitical tensions, particularly in Eastern Europe. Despite a stabilization in energy prices, core inflation remains elevated due to high costs in consumer goods and services sectors. The European Commission has recently adjusted its economic growth forecast for the Eurozone to 1.3% for 2024, reflecting a slight improvement in economic activity, yet the inflation forecast has been revised upwards to 4.8%. This persistent inflation, coupled with the slowdown in economic growth, continues to weigh on consumer purchasing power.

# MANAGEMENT DISCUSSION AND ANALYSIS

The eyewear industry perceived a moderate growth in the following eight years. According to a new report “Global Eyewear Market Report and Forecast 2024–2032” published by Expert Market Research, the global eyewear market size was approximately US\$159.6 billion in 2023. The industry is further expected to grow at a CAGR of approximately 6.2% between 2023 and 2032 to attain a value of US\$279.4 billion by 2028.

The Group maintains a relatively conservative stance towards the global economic outlook in particularly the Eurozone, and will continue to adjust marketing strategies timely to maintain the networks with the target and potential customers. The Group aims to preserve and strengthen the attractiveness, reputation, and customer loyalty of its products, thereby further enhancing the company’s profitability in the future.

The Group remains to be committed to the development and optimisation of its eyewear business, being the core business of the Group. Other than the eyewear business, the Group is also researching and developing new opportunities, in order to achieve diversification in the business and income streams of the Group.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2024, the Group’s revenue increased to approximately HK\$197.4 million by approximately HK\$2.3 million or 1.2% as compared to approximately HK\$195.1 million for the six months ended 30 June 2023. The increase was mainly attributable to the overall increase in the exported sales volume of spectacle frame and sunglasses, driven by higher sales orders, offset by the decline in average selling price of high-end eyewear products.

### Cost of sales

The cost of sales of the Group also increased by approximately HK\$17.8 million or 11.0%, from approximately HK\$161.8 million for the six months ended 30 June 2023 to approximately HK\$179.6 million for the six months ended 30 June 2024. Such increase was basically in line with the increase in sales volume.

### Gross profit and gross profit margin

Gross profit reduced to approximately HK\$17.8 million for the six months ended 30 June 2024, by approximately HK\$15.5 million, or 46.5%, from approximately HK\$33.3 million for the six months ended 30 June 2023. The overall gross profit margin weakened from approximately 17.0% for the six months ended 30 June 2023 to 9.0% for the six months ended 30 June 2024. The significant decrease in gross profit and gross profit margin was primarily attributable to the decline in sales orders and the average selling price of mainly products of high-end eyewear brands manufactured at the Shenzhen factory of the Group as a result of competitive market condition during the current period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other income

Other income decreased by approximately HK\$0.6 million from approximately HK\$3.6 million for the six months ended 30 June 2023 to approximately HK\$3.0 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the decrease in government grants from the government in the PRC.

## Other gains and losses

Other gains and losses decreased by approximately HK\$2.9 million from approximately HK\$6.4 million for the six months ended 30 June 2023 to approximately HK\$3.5 million for the six months ended 30 June 2024. Such decrease was mainly due to reduced net exchange gains in current period, resulting from a more gentle depreciation of Renminbi (“RMB”) against the Hong Kong dollars (“HKD”).

## Selling and distribution expenses

Selling and distribution expenses decreased from approximately HK\$7.3 million for the six months ended 30 June 2023 to approximately HK\$5.4 million for the six months ended 30 June 2024, by approximately HK\$1.9 million or 26.0%. The decrease was primarily due to the substantial reduction in advertising and promotion expense as well as the decrease in freight and transportation cost due to the decrease in sales orders of Shenzhen factory.

## Administrative and other operating expenses

Administrative and other operating expenses increased by approximately HK\$2.3 million or 8.2%, from approximately HK\$28.2 million for the six months ended 30 June 2023 to approximately HK\$30.5 million for the six months ended 30 June 2024, mainly due to the (i) increase in staff cost of both Shenzhen and Jiangxi factories, (ii) increase in rental of the newly leased factory premises and (iii) increase in repair and maintenance cost of Jiangxi factory.

## Finance costs, net

The Group’s finance cost decreased by approximately HK\$0.3 million, from approximately HK\$1.1 million for the six months ended 30 June 2023 to approximately HK\$0.8 million for the six months ended 30 June 2024, mainly due to less utilisation of factoring of trade receivables of the Group as a whole as compared to the same period in the last year.

## Income tax credit/(expense)

The Group recorded income tax credit of approximately HK\$0.2 million for the six months ended 2024, compared to income tax expense of HK\$1.2 million for the six months ended 30 June 2023, mainly due to the decrease in the Group’s assessable profit to temporary loss for the six months ended 30 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (Loss)/Profit for the period

As a result of the foregoing, there was a turnaround from the profit of the Group of approximately HK\$5.4 million for the six months ended 30 June 2023 to a loss of approximately HK\$12.3 million for the six months ended 30 June 2024, mainly due to decrease in gross profit of eyewear products.

## FINANCIAL POSITION

As at 30 June 2024, the Group's total assets amounted to approximately HK\$258.0 million (31 December 2023: HK\$264.0 million) with net assets amounting to approximately HK\$167.0 million (31 December 2023: HK\$183.2 million). As at 30 June 2024, gearing ratio (total debts divided by the total equity) of the Group was approximately 8.6%, representing a slight increase from that of approximately 8.3% as at 31 December 2023. Net debt to equity ratio (net debt, being its total debts net of bank and cash balances, divided by total equity) of the Group was not applicable due to a net cash position of the Group as at 30 June 2024 and 31 December 2023. As at 30 June 2024, current ratio of the Group was approximately 2.7 times, representing a decrease of approximately 12.9% as compared to that of approximately 3.1 times as at the end of 2023. As at 30 June 2024, quick ratio of the Group was approximately 1.8 times, a decrease of approximately 10.0% as compared to that of approximately 2.0 times as at the end of 2023.

During the six months ended 30 June 2024, the decrease of net assets, and the slight increase of gearing ratio were mainly due to the Group's operating loss during the six months ended 30 June 2024.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a balanced approach to cash and financial management to ensure proper risk control, the lowering of costs of funds and to maintain an optimal level of liquidity that can meet its working capital needs and sustain the business at a healthy level, and implementing various growth strategies. The Group finances its operations and growth primarily through cash generated from operations, bank loans and finance lease arrangements.

As at 30 June 2024, the Group had bank and cash balances totalling approximately HK\$18.6 million, representing a decrease of approximately HK\$1.7 million as compared to approximately HK\$20.3 million as at 31 December 2023, mainly attributable to the net cash used in addition of the leasehold improvements and the purchase of plant and machinery during the six months ended 30 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## TREASURY POLICIES

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern so that the Group can constantly provide returns for shareholders of the Company (the "Shareholders") and benefits for other stakeholders by securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustment by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

## INDEBTEDNESS

As at 30 June 2024, the Group's indebtedness mainly represented lease liabilities of approximately HK\$14.3 million, and which are denominated in HKD and RMB. Interest rates for all leases are fixed on the contract dates and thus expose the Group to fair value interest rate risk.

The maturity of lease liabilities as at 30 June 2024 is as follows:

	<b>Lease liabilities</b> <i>HK\$'000</i>
Within one year	3,298
More than one year, but not exceeding two years	3,643
More than two years, but not more than five years	7,345
	<hr/>
	14,286
	<hr/>

## PRINCIPAL RISK AND UNCERTAINTY

The Group's operation, financial conditions, operational results or growth prospects are affected by a number of risks and uncertainties as outlined below. These factors are not exhaustive and there may be other principal risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could become material in the future.

### Foreign currency risks

The Group has a certain exposure to foreign currency risk as a number of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective Group entities such as HKD, USD and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial risk

Financial risk factors include foreign currency risk, credit risk, liquidity risk and interest rate risk. Details of the aforesaid financial risk factors and the respective risk management measures are elaborated in note 6 to the consolidated financial statements “Financial risk management” of the 2023 annual report.

## Operational risk

The stable relationship with major customers enables the business to achieve stable revenue and profitability level. If the major customers significantly decrease its purchase quantity from the Group and we cannot identify new customers, the business and financial position may be adversely affected. Also, we operate the manufacturing process at the two production bases in Shenzhen and Jiangxi, the PRC, respectively. Any unexpected disruption to the production bases due to power or water supply failure, machinery breakdown or other factors may cause delay or temporary suspension of the production and may make us unable to deliver the products to customers on time, leading to potential loss of customer confidence and reputation.

## Market risk

As we rely on marketing and sales of products overseas, we are exposed to market risks including (i) global economic downturn in overseas markets which affect general consumer confidence; (ii) exchange rate fluctuation in foreign currencies; (iii) trade barriers; (iv) increased costs associated with understanding the overseas market trend and maintaining overseas marketing and sales activities; and (v) exposure to local economic, political, social and labour conditions in the overseas markets.

## PLEDGE OF ASSETS

As at 30 June 2024 and 31 December 2023, the Group did not have any pledge of assets.

## CAPITAL COMMITMENT

As at 30 June 2024, the Group had capital commitments of approximately HK\$0.4 million relating to property, plant and equipment which are contracted but not provided for.

## CONTINGENT LIABILITIES

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEE AND REMUNERATION POLICY

The Group values its employees and recognises the importance of a good relationship with them. The Group recruits its employees based on their work experience, education background and qualifications. To maintain and ensure the quality of its employees, the Group provide its personnel with formal and on-the-job training to enhance their technical skills as well as knowledge of the industry quality standards and work place safety standards. As at 30 June 2024, the Group had a total of 1,062 employees of which 1,045 were in the PRC and 17 were in Hong Kong. The remuneration to employees includes salaries and allowances. Employees are remunerated according to their qualifications, experiences, job nature, performance and with reference to market conditions.

The Group's total employee benefit expenses (including Directors' emoluments) for the six months ended 30 June 2024 and 2023 were approximately HK\$55.4 million and HK\$57.2 million, respectively.

## SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the six months ended 30 June 2024.

## MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 30 June 2024.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other plan for material investments or acquisition of material capital assets as at 30 June 2024.

# CORPORATE GOVERNANCE

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that the Company has complied with all the applicable code provisions of the CG Code during the six months ended 30 June 2024.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the six months ended 30 June 2024.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 to the Listing Rules, are set out as follows:

### (a) Long position in Shares

Name of Director	Capacity/nature of interest	Number of Shares (Note 4)	Approximate percentage of shareholding interests of the Company (Note 5)
Mr. Kwok Kwan Fai (“Mr. Joe Kwok”)	Interest in a controlled corporation (Note 1)	270,952,000 (L)	54.19%
Mr. Kwok Kwan Yu (“Mr. Ken Kwok”)	Interest in a controlled corporation (Note 1)	270,952,000 (L)	54.19%
Ms. Chan Yin Wah (“Mrs. Kwok”)	Interest in a controlled corporation; interest held jointly with another person (Note 2)	270,952,000 (L)	54.19%
Mr. Kwok Mau Kwan (“Mr. Kwok”)	Interest of spouse (Note 3)	270,952,000 (L)	54.19%

## OTHER INFORMATION

### Notes:

1. Conquer Holding Limited (“**Conquer**”), being the registered and beneficial owner of these shares, is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok. As each of Mr. Joe Kwok and Mr. Ken Kwok holds 49% shareholding interest in Conquer, each of Mr. Joe Kwok and Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO. Each of Mr. Joe Kwok and Mr. Ken Kwok is a director of Conquer.
2. On 3 January 2019, Mr. Kwok, Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok entered into the confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of our Group since their respective dates of incorporation and shall continue to do so after the date of the confirmatory deed. Details of the confirmatory deed are set out in the paragraph headed “History, Reorganisation and Group Structure — Parties acting in concert” in the Prospectus. Accordingly, Mrs. Kwok, Mr. Joe Kwok, Mr. Ken Kwok and Conquer are considered as a group of Controlling Shareholders and Mrs. Kwok is deemed to be interested in the Shares held by Conquer under the SFO.
3. Mr. Kwok is the spouse of Mrs. Kwok and is deemed to be interested in all the Shares in which Mrs. Kwok is interested for the purposes of the SFO.
4. The Letter “L” denotes the entity/person’s long interest in our Shares.
5. As at 30 June 2024, the total number of issued shares of the Company was 500,000,000.

### (b) *Long position in Conquer, an associated corporation of the Company*

Name of Director	Capacity/nature of interest	Percentage of the issued share capital of Conquer
Mr. Joe Kwok	Beneficial owner	49%
Mr. Ken Kwok	Beneficial owner	49%
Mrs. Kwok	Beneficial owner	2%

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as our Directors are aware, the persons (other than the Directors and chief executive of the Company) who will have or be deemed or taken to have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company's issued share capital are as follows:

Name of Substantial Shareholders	Capacity/Nature of Interest	Number of Shares (Note 1)	Approximate percentage of shareholding interests of the Company (Note 5)
Conquer (Note 2)	Beneficial owner	270,952,000 (L)	54.19%
Ms. Lee Man Yee Joanna ("Ms. Lee") (Notes 2 and 3)	Interest of spouse	270,952,000 (L)	54.19%
Ms. Siu Fong Ting Tammy ("Ms. Siu") (Notes 2 and 4)	Interest of spouse	270,952,000 (L)	54.19%

*Notes:*

- The Letter "L" denotes the entity/person's long interest in our Shares.
- Conquer, being the registered and beneficial owner of these shares, is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok. As each of Mr. Joe Kwok and Mr. Ken Kwok hold 49% shareholding interest in Conquer, each of Mr. Joe Kwok and Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO. Each of Mr. Joe Kwok and Mr. Ken Kwok is a director of Conquer.
- Ms. Lee is the spouse of Mr. Joe Kwok and is deemed to be interested in all the Shares interested by Mr. Joe Kwok (via his 49% shareholding interest in Conquer) for the purposes of the SFO.
- Ms. Siu is the spouse of Mr. Ken Kwok and is deemed to be interested in all the Shares interested by Mr. Ken Kwok (via his 49% shareholding interest in Conquer) for the purposes of the SFO.
- As at 30 June 2024, the total number of issued shares of the Company was 500,000,000.

## OTHER INFORMATION

Save as disclosed herein, as at 30 June 2024, the Directors are not aware of any person (other than the Directors and the chief executive of the Company) who has, as at the date of this report (without taking into account any options which may be granted under the share option scheme), an interest or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 5% of the issued voting shares of any other member of the Group.

### SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 22 June 2019 and became effective on the Listing Date (the “**Scheme**”). The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules and other rules and regulations. Under the Scheme, the eligible participants of the Scheme, including Directors, full-time employees of and advisers and consultants to the Company or its subsidiaries may be granted options which entitle them to subscribe for the Shares, when aggregated with options granted under any other scheme, representing initially not more than 10% of the Shares in issue on the Listing Date (the “**Scheme Mandate**”).

No share option was granted, vested, exercised, expired, cancelled or lapsed since the adoption of the Scheme and during the six months ended 30 June 2024, and there is no outstanding share option under the Scheme as at 1 January 2024 and 30 June 2024. As at 1 January 2024 and 30 June 2024, 50,000,000 share options were available for grant under the Scheme Mandate, representing 10% of the issued Shares of the Company as at 30 June 2024.

Other than the Scheme, the Company had no other share scheme (as defined under Chapter 17 of the Listing Rules) in place during the six months ended 30 June 2024.

### PURCHASES, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2024.

### INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2024.

### COMPETING INTERESTS

As at 30 June 2024, Mr. Ken Kwok, an executive Director, is the controlling shareholder of a customer of the Group (the “**Customer**”). The Customer is principally engaged in assembling parts of optical frames and sunglasses with suppliers from Italy and sale of processed end-products to its own customers. While the Group’s suppliers are mainly from the PRC and has a largely differentiable customer base with the Customer, the Company considers that the operations of the Customer and the Group are complementary and there is no material impact on the operations or financial conditions of the Group. For the six months ended 30 June 2024, the transaction amount between the Group and the Customer was approximately HK\$2,453,000.

Save as disclosed above, the Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the Listing Rules) of the Company nor any of their respective associates (as defined in the Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the six months ended 30 June 2024.

### AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors of the Company, namely Mr. Hong Sze Lung, Mr. Chu Kin Ming and Mr. Chan Hon Wah. Mr. Chu Kin Ming is the chairman of the Audit Committee.

The interim results for the six months ended 30 June 2024 is unaudited, but the Audit Committee has reviewed the Company’s unaudited condensed consolidated interim results for the six months ended 30 June 2024, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

### CHANGE IN INFORMATION OF DIRECTOR

Name of Director	Details of changes
Mr. Chu Kin Ming	Appointed as the company secretary of Future World Holdings Limited, a company listed on Main Board of the Stock Exchange (stock code: 572) since April 2024.
	Resigned as an independent non-executive director of Vision International Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8107) with effect from July 2024.

Saved as disclosed above, there was no change to any information in relation to any Director required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the six months ended 30 June 2024 and up to the date of this report.



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

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue</b>	4	<b>197,412</b>	195,082
Cost of sales		<b>(179,624)</b>	(161,826)
<b>Gross profit</b>		<b>17,788</b>	33,256
Other income		<b>2,957</b>	3,637
Other gains and losses		<b>3,532</b>	6,420
Selling and distribution expenses		<b>(5,435)</b>	(7,346)
Administrative and other operating expenses		<b>(30,481)</b>	(28,245)
<b>(Loss)/profit from operations</b>		<b>(11,639)</b>	7,722
Finance costs, net	5	<b>(842)</b>	(1,137)
<b>(Loss)/profit before tax</b>		<b>(12,481)</b>	6,585
Income tax credit/(expense)	6	<b>231</b>	(1,216)
<b>(Loss)/profit for the period attributable to owner of the Company</b>	7	<b>(12,250)</b>	5,369
<b>Other comprehensive expense:</b>			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		<b>(3,930)</b>	(7,622)
<b>Other comprehensive expense for the period, net of tax</b>		<b>(3,930)</b>	(7,622)
<b>Total comprehensive expense for the period attributable to owner of the Company</b>		<b>(16,180)</b>	(2,253)
<b>(Loss)/earnings per share</b>			
— Basic and diluted	9	<b>HK (2.45) cents</b>	HK 1.07 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	31,553	34,650
Right-of-use assets	11	13,697	14,951
Deposits paid for property, plant and equipment		591	1,228
Deferred tax assets		494	507
		<b>46,335</b>	51,336
<b>Current assets</b>			
Inventories	12	71,573	74,764
Trade receivables	13	114,161	109,067
Prepayments, deposits and other receivables		6,353	8,503
Current tax assets		896	—
Bank and cash balances		18,642	20,334
		<b>211,625</b>	212,668
<b>Current liabilities</b>			
Trade payables	14	58,108	44,175
Other payables and accruals		17,313	19,618
Contract liabilities		851	1,309
Lease liabilities		3,298	2,747
Current tax liabilities		193	294
		<b>79,763</b>	68,143
<b>Net current assets</b>		<b>131,862</b>	144,525
<b>Total assets less current liabilities</b>		<b>178,197</b>	195,861
<b>Non-current liabilities</b>			
Lease liabilities		10,988	12,472
Deferred tax liabilities		198	198
		<b>11,186</b>	12,670

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
<b>NET ASSETS</b>		<b>167,011</b>	183,191
<b>Capital and reserves</b>			
Share capital	15	<b>5,000</b>	5,000
Reserves		<b>162,011</b>	178,191
<b>TOTAL EQUITY</b>		<b>167,011</b>	183,191

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	(Unaudited)						
	Attributable to owner of the Company						
	Share capital	Statutory surplus reserve	Foreign currency translation reserve	Other reserve	Share premium	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	5,000	4,261	(2,751)	70,658	88,511	20,893	186,572
Profit and total comprehensive (expense) for the period	-	-	(7,622)	-	-	5,369	(2,253)
At 30 June 2023	5,000	4,261	(10,373)	70,658	88,511	26,262	184,319
At 1 January 2024	<b>5,000</b>	<b>4,819</b>	<b>(7,520)</b>	<b>70,538</b>	<b>88,511</b>	<b>21,843</b>	<b>183,191</b>
(Loss) and total comprehensive (expense) for the period	-	-	(3,930)	-	-	(12,250)	(16,180)
At 30 June 2024	<b>5,000</b>	<b>4,819</b>	<b>(11,450)</b>	<b>70,538</b>	<b>88,511</b>	<b>9,593</b>	<b>167,011</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,721</b>	15,936
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deposits paid	(274)	(779)
Purchases of property, plant and equipment	(1,121)	(7,278)
Proceeds from disposals of property, plant and equipment	360	89
Interest received	9	11
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,026)</b>	(7,957)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance expenses paid	(851)	(1,148)
Principal elements of lease payments	(1,466)	(1,468)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,317)</b>	(2,616)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(70)</b>	(272)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,692)</b>	5,091
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>20,334</b>	46,403
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>18,642</b>	51,494
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	18,642	51,494

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 1605–1606, 16/F., Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in manufacturing and sales in eyewear products.

In the opinion of the directors of the Company, as at the date of this report, Conquer Holding Limited, a company incorporated in the British Virgin Islands ("BVI"), is the immediate and ultimate parent, and Mr. Joe Kwok, Mr. Ken Kwok and Mrs. Kwok are the ultimate controlling parties of the Company.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated interim financial information have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3. The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2023. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 2. BASIS OF PREPARATION (Cont'd)

The unaudited condensed consolidated interim financial information have been prepared under the historical cost convention. The unaudited condensed consolidated interim financial information are unaudited but has been reviewed by the Company's audit committee.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise indicated.

## 3. ADOPTION OF NEW AND REVISED HKFRSS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

## 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from sales of eyewear products recognised at a point in time during the period.

### Segment information

The executive directors of the Company, being the chief operating decision maker, regularly review revenue analysis by customers and by locations. The executive directors of the Company considered the operating activities of designing, manufacturing and sales of eyewear products as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared and is regularly reviewed by the executive directors of the Company. The executive directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Geographical information

Revenue from external customers, based on location of delivery to customers is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue</b>		
Italy	87,770	59,788
United Kingdom	52,193	53,079
Hong Kong	36,770	34,757
Netherlands	2	20,048
United States	6,930	10,510
France	3,422	4,437
Australia	2,966	3,249
Japan	2,828	4,345
Others	4,531	4,869
	<b>197,412</b>	<b>195,082</b>

An analysis of the Group's non-current assets by their physical geographical location is as follows:

	As at 30 June 2024 HK\$'000 (unaudited)	As at 31 December 2023 HK\$'000 (audited)
Hong Kong	3,445	3,258
PRC	41,805	46,343
	<b>45,250</b>	<b>49,601</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 4. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Customer a	44,044	52,394
Customer b	31,849	27,693
Customer c	22,887	17,735*
Customer d	16,165*	24,312
Customer e	18,490*	21,090

\* The corresponding revenue did not contribute over 10% of the total revenue.

## 5. FINANCE COSTS, NET

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Bank interest income	9	11
Finance expenses:		
Interest on bank borrowings	(69)	—
Interest on factoring of trade receivables	(511)	(903)
Interest expense on lease liabilities	(271)	(245)
	(851)	(1,148)
Finance costs, net	(842)	(1,137)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 6. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax	231	(1,216)

Under the two-tiered Profits Tax rates regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rates regime will continue to be taxed at a rate of 16.5%.

Pursuant to the PRC EIT Law and the respective regulations, the subsidiaries which operate in the Mainland China are subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's PRC subsidiaries.

Yingtan Euro-Asia Enterprise Limited ("Yingtan Euro-Asia") was qualified as a Small and Low-profit Enterprise for the periods ended 30 June 2023 and 2024 and was subject to income tax at a preferential tax rate of 20%. Besides, pursuant to Caishui [2023] No. 6, Yingtan Euro-Asia was also entitled to a further deduction of 25% of the tax income for the periods ended 30 June 2023 and 2024.

Jiangxi Huaqing Glasses Co., Limited ("Jiangxi Huaqing") was qualified as a High and New Technology Enterprise and their research and development activities are entitled to claim 200% (2023: 200%) of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the periods ended 30 June 2023 and 2024.

Huaqing Glasses (Shenzhen) Company Limited ("Shenzhen Huaqing") was qualified as an Advanced Technology Service Enterprise and was subject to income tax at a preferential tax rate of 15% for the periods ended 30 June 2023 and 2024. Besides, Shenzhen Huaqing was also qualified as a High and New Technology Enterprise and their research and development activities are entitled to claim 200% (2023: 200%) of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the periods ended 30 June 2023 and 2024.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 7. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Auditor's remuneration	438	504
Cost of inventories sold (*)	179,624	161,826
Depreciation		
— Property, plant and equipment	4,285	2,868
— Right-of-use assets	1,810	1,816
Exchange gain, net	(3,258)	(6,566)
Net (gain)/losses on disposal of property, plant and equipment	(274)	146
Staff costs including directors' emoluments		
— Salaries, bonus and allowances	49,949	51,813
— Retirement benefit scheme contributions	5,494	5,435

(\*) Cost of inventories sold includes approximately HK\$38,037,000 and HK\$36,396,000 of staff costs and depreciation which are also included in the respective total amounts disclosed above for each of these types of expenses for the six months ended 30 June 2023 and 2024 respectively.

## 8. DIVIDENDS

There was no dividend declared or paid during the six months ended 30 June 2023 and 2024.

## 9. (LOSS)/EARNINGS PER SHARE

### Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company for the period of approximately HK\$12,250,000 (2023: profit of HK\$5,369,000) and the weighted average of 500,000,000 ordinary shares (2023: 500,000,000 ordinary shares) in issue during the period.

### Diluted (loss)/earnings per share

There were no potential dilutive ordinary shares outstanding during the current and prior periods, and hence the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired plant and equipment at a total cost of HK\$2,008,000 (2023: HK\$7,633,000).

## 11. RIGHT-OF-USE ASSETS

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Leased land	1,692	1,760
Leased properties	12,005	13,191
	<b>13,697</b>	14,951

## 12. INVENTORIES

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Raw materials	19,227	10,373
Work in progress	35,743	36,080
Finished goods	2,044	15,278
Goods-in-transit	14,559	13,033
	<b>71,573</b>	74,764

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 13. TRADE RECEIVABLES

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Trade receivables	<b>114,652</b>	109,558
Less: Impairment loss	<b>(491)</b>	(491)
	<b>114,161</b>	109,067

The Group's credit terms generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance or cash on delivery is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The Group has entered into receivable purchase agreements with banks for the factoring of trade receivables with certain designated customers. As at 30 June 2024 and 31 December 2023, trade receivables factored to the banks aggregated to approximately HK\$15,596,000 and HK\$54,276,000 respectively, and all of which were derecognised from the consolidated statements of financial position because, in the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables to the banks.

The aging analysis of trade receivables, based on the date of relevant invoice (delivery date), and net of allowance for doubtful debts, is as follows:

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Up to 60 days	<b>68,677</b>	68,312
61 to 120 days	<b>30,960</b>	31,752
121 to 180 days	<b>9,809</b>	5,340
Over 180 days	<b>4,715</b>	3,663
	<b>114,161</b>	109,067

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 14. TRADE PAYABLES

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Trade payables	<b>58,108</b>	44,175

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	As at 31 December 2023 HK\$'000 (audited)
Up to 60 days	<b>45,333</b>	39,485
61 to 90 days	<b>10,185</b>	3,007
91 to 180 days	<b>2,200</b>	1,352
Over 180 days	<b>390</b>	331
	<b>58,108</b>	44,175

The credit period ranges from 30 to 90 days.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 15. SHARE CAPITAL

The Company's share capital as at 30 June 2024 was as follows:

	No of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	<b>2,000,000,000</b>	20,000
<i>Issued and fully paid:</i>		
At 1 January 2023, 31 December 2023 (audited), 1 January 2024 and 30 June 2024 (unaudited)	<b>500,000,000</b>	5,000

## 16. CAPITAL COMMITMENTS

As at 30 June 2024 and 31 December 2023, capital commitments contracted for but not yet incurred are as follows:

	As at 30 June 2024 HK\$'000 (unaudited)	As at 31 December 2023 HK\$'000 (audited)
Property, plant and equipment	<b>433</b>	312

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 17. RELATED PARTY TRANSACTIONS

- (a) In addition to the related party transactions information disclosed elsewhere in this report, the Group entered into the following material related party transactions.

	Note	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Office's rental paid for short-term lease to Ms. Lee	(i)	324	248
Employee benefit expenses to Ms. Lee	(i)	434	434
Sales of goods to DEM S.r.l	(ii)	2,453	2,559

Notes:

- (i) Ms. Lee is the spouse of Mr. Joe Kwok
- (ii) Mr. Ken Kwok has a 51% equity interest in DEM S.r.l.
- (b) The remuneration of directors and other members of key management was as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term benefits	4,074	4,071



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 18. OPERATING LEASE ARRANGEMENT

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Within one year	299	248

## 19. EVENT AFTER THE REPORTING PERIOD

On 26 July 2024, the Group obtained a new bank loan of RMB9,500,000 which is repayable within one year. This borrowing is secured by corporate guarantee executed by the Company. The bank loan was used to provide the working capital of the Group.

## 20. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 26 August 2024.