



Samson Holding Ltd. 順誠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 531.hk)



2024 | INTERIM REPORT



* for identification purpose only

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Corporate Profile

1 Since its establishment in 1995, Samson Group, including Samson Holding Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”), has now become a fully vertically-integrated furniture company and ranks as one of top 10 furniture wholesalers in the United States of America (the “U.S.”). We currently own a wide range of our furniture products through a portfolio of brand names including Universal Furniture, Legacy Classic Furniture, Legacy Classic Kids, Craftmaster Furniture, Baker, Milling Road, McGuire, LacquerCraft Hospitality and Universal Furniture China, and licensed with Paula Deen, Miranda Kerr, Nina Magon and Coastal Living in the U.S..

12 In May 2016, we have successfully acquired Grand Manor Furniture Inc., a Lenoir North Carolina U.S. based manufacturer established in 1960s which specialises in hospitality seating design and manufacturing. Its major customers include but not limited to Marriott, Hilton, Grand Hyatt and Western hotel chains. In February 2017, we have successfully acquired Baker Interiors Group, LTD. (*formerly known as Kohler Interiors Group, LTD.*) and its subsidiaries (collectively referred to as “BIG”), which owns three global luxury furniture brands, namely, “Baker”, “Milling Road” and “McGuire”, each with a history of leading design, quality and craftsmanship. BIG sells its products through showrooms in North America, England, and France, and furniture dealer locations across the U.S., Europe, Asia and the Middle East. BIG maintains relationships with interior designers who recommend the products to consumers worldwide.

Our team of experienced executives, employees and sales force, comprising the U.S. market expertise, combining with Vietnam and the People’s Republic of China (the “PRC” or “China”) manufacturing know-how, creates a globally-integrated products and services logistics platform that brings forth effective means of business operations by which we strive to maximise ultimate benefits to our customers and shareholders.



Corporate Information

Executive Directors

Mr. Shan Huei KUO (*Chairman*)
Ms. Yi-Mei LIU (*Deputy Chairman*)
Mr. Mohamad AMINOZZAKERI

Non-Executive Director

Mr. Sheng Hsiung PAN

Independent Non-Executive Directors

Mr. Ming-Jian KUO
Mr. Siu Ki LAU
Mr. Sui-Yu WU
Mr. Hung Kang LIN

Audit Committee

Mr. Siu Ki LAU (*Chairman*)
Mr. Sheng Hsiung PAN
Mr. Sui-Yu WU

Remuneration Committee

Mr. Ming-Jian KUO (*Chairman*)
Mr. Sheng Hsiung PAN
Mr. Sui-Yu WU

Nomination Committee

Mr. Shan Huei KUO (*Chairman*)
Mr. Ming-Jian KUO
Mr. Sui-Yu WU

Company Secretary

Mr. Kwong Cho SHEUNG

Authorized Representatives

Ms. Yi-Mei LIU
Mr. Kwong Cho SHEUNG

Registered Office

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119, KY1-1205
Cayman Islands

Stock Code

The Stock Exchange of Hong Kong Limited: 531

Websites

<http://www.samsonholding.com/>
<http://www.universalfurniture.com/>
<http://www.legacyclassic.com/>
<http://www.legacyclassickids.com/>
<http://www.cmfurniture.com/>
<http://www.lacquercrafthospitality.com/>
<https://www.bakerfurniture.com/>

Principal Places of Business

Vietnam:

6th Road Tam Phuoc Industrial Zone,
Bien Hoa City, Dong Nai Province Vietnam

China:

China Timber Industry City Development Area
No. 2 Taicheng Road
Jia Shan County
Zhejiang Province
China, 314100

Unit 1007, 10th Floor, Haleson Building
1 Jubilee Street, Central,
Hong Kong

United States of America:

2575 Penny Road
High Point, NC 27265
U.S.A.

221 Craftmaster Road
Hiddenite, NC 28636
U.S.A.

1 Baker Way
Connelly Springs, NC 28612
U.S.A.

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th Floor, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Principal Bankers

CTBC Bank
UBP Bank
Taishin International Bank
Mega Bank

Share Registrars and Transfer Offices

Principal:

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17/F
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Financial Highlights

	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Six months ended 30 June 2024 HK\$'000*	Six months ended 30 June 2023 HK\$'000*
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Operating results

Revenue	200,072	215,630	1,560,562	1,681,914
Earnings before interest and tax	3,132	4,520	24,430	35,256
Loss for the period	(716)	(1,123)	(5,585)	(8,759)
Loss per share attributable to ordinary equity holders of the parent (US/HK cent)	(0.02)	(0.04)	(0.16)	(0.31)

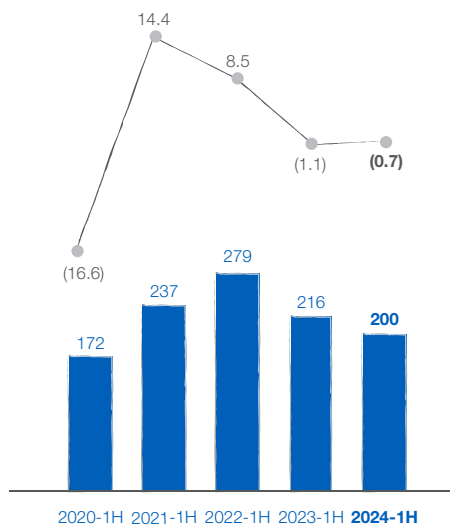
	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000	As at 30 June 2024 HK\$'000*	As at 31 December 2023 HK\$'000*
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Financial position

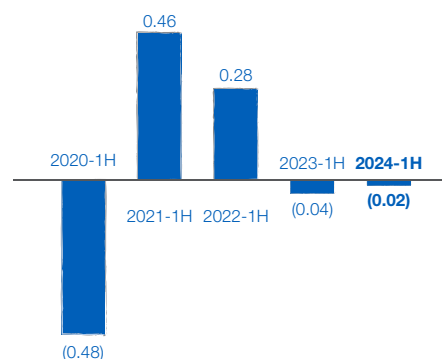
Total assets	511,928	531,951	3,993,038	4,149,218
Net current assets	135,783	137,085	1,059,107	1,069,623
Shareholders' equity	311,787	314,599	2,431,939	2,453,872

* Exchange rate: US\$1 to HK\$7.8 (for reference only)

Revenue & (loss)/profit for the period (US\$ MN)



(Loss)/earnings per share attributable to ordinary equity holders of the parent (US cent)



- Revenue
- (Loss)/profit for the period

Management Discussion and Analysis

Business Review

During the first half of 2024, high level of interest rate, political turmoil and other uncertainties which caused the U.S. housing market remained inactive. Despite the political and economic challenges, Samson, with a commitment to fostering a sustainable business model and generating enduring value for both customers and shareholders, has actively engaged in addressing the broad challenges to demand posed by the economic landscape.

The Group's diversified brand portfolio has proved resilient amid the market's challenges, receiving solid responses for their innovation and design with the backlog steady increased. Our luxury brand business was operating in a difficult business climate during the six month ended 30 June 2024 ("Period") as consumers were cautious of discretionary spending in the uncertain economy outlooks. Our hospitality business, however, was able to capture the opportunity for further market penetration through its diversified brands and various categories in product offerings and recorded a high single-digit growth in sales. Additionally, attributable to the overall resilience of our operations, our casegoods and upholstery businesses were able to maintain consistent performance despite facing the sluggish market demand. With continuing inventory management and cost-reduction measures, the volume of inventory continues optimized from the previous year-end, with working capital, liabilities and liquidity ratios turn to a healthy level, providing foundation for sustained growth as well as maintain our competitive edge. The above measures facilitated the Group in facing the dynamic market challenging during the Period.

Over the years, Samson's diversified approach has been pivotal in navigating market uncertainties and sustaining growth, firmly establishing the Group's position as a resilient market leader in the furniture wholesaling and manufacturing industry. Looking ahead, Samson believes its prudent adjustment to procurement and inventory policies together with its managing production capabilities in an agile manner, the Group will continue to work inventory down to appropriate levels while pursuing profitability. Meanwhile, Samson will unwaveringly stay committed to the efficiency and cost management and stick to the multi-brand, multi-channel strategy to leverage synergies across our diversified product lines and merchant channels. We are committed to fostering continuous product innovation, venturing into new customer segments, broadening our market presence and achieving sustainable, organic growth.

Financial Review

Net sales for the Period was US\$200.1 million as compared to US\$215.6 million for the corresponding period in 2023, representing a decrease of US\$15.5 million or 7.2%. The decrease in net sales was mainly attributable to the U.S. housing market remained inactive during the Period.

Gross profit margin for the Period of 26.4% was recorded as compared to 24.4% for the corresponding period in 2023. The increase in gross profit margin was mainly due to the ongoing inventory destocking pushed down the short-term performance for the corresponding period in 2023.

Total operating expenses for the Period decreased to US\$57.1 million from US\$60.6 million for the corresponding period in 2023. The decrease in operating expenses was mainly attributable to decreased variable expenses in distribution costs as well as sales and marketing expensed due to the decrease in sales and continuous cost control measures.

Other income, gains, losses and expenses for the Period decreased from US\$12.5 millions to US\$7.5 millions for the corresponding period in 2023. The decrease in other income, gains, losses and expenses was mainly due to the decrease in gain on disposal of property, plant and equipment and increase in the unrealized loss on change in fair value of held-for-trading investments.

Compared with a loss of US\$1.1 million for the corresponding period in 2023, the Group recorded a loss of US\$0.7 million for the Period. The decrease in loss was mainly attributable to the gross profit margin improvement and series of cost measures.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2024, the Group's cash and cash equivalents decreased by US\$6.9 million to US\$48.3 million from US\$55.2 million as at 31 December 2023. Total interest-bearing bank borrowings decreased by US\$24.5 million to US\$102.7 million from US\$127.2 million as at 31 December 2023. The corresponding gearing ratio (total bank borrowings/shareholders' equity) decreased to 32.9% from 40.4% as at 31 December 2023. The Group's financial position remains solid and possesses sufficient available banking facilities to meet working capital requirements and to expand its business.

Cash and cash equivalents held by the Group are mainly denominated in the U.S. Dollars ("US\$"), Renminbi, British Pound Sterling, Vietnamese Dong, New Taiwan Dollars, Indonesian Rupiah and Hong Kong Dollars. As at 30 June 2024, short-term bank borrowings of US\$102.7 million (31 December 2023: US\$124.9 million) bore interest at either the floating rates or fixed rate ranging from 1.0% to 6.9% respectively and there was no long-term bank borrowing (31 December 2023: US\$2.3 million).

Sources of liquidity include cash and cash equivalents, cash from operations and general banking facilities granted to the Samson, allowing the Group to maintain strong and prudent liquidity for day-to-day operations and business development.

With an international operation, Samson is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Vietnamese Dong. Although the majority of the total revenue is denominated in the U.S. Dollars, a substantial portion of cost of sales is paid in Vietnamese Dong. The exchange rates of Vietnamese Dong to the U.S. Dollars have fluctuated substantially in recent years and may continue to fluctuate in the foreseeable future.

The Group's current assets decreased by 3.9% to US\$322.0 million from US\$335.0 million as at 31 December 2023 and the Group's current liabilities decreased by 5.9% to US\$186.2 million from US\$197.9 million as at 31 December 2023. The current ratio (current assets/current liabilities) is 1.7 times (31 December 2023: 1.7 times).

Management Discussion and Analysis (cont'd)

Pledge of Assets

As at 30 June 2024, certain of the Group's property, plant and equipment and investment properties with an aggregate carrying amount of US\$17.5 million (31 December 2023: US\$18.2 million) have been pledged to a bank to secure the general banking facility granted to the Group.

Capital Expenditure

Capital expenditure for the Period amounted to US\$1.7 million as compared to US\$6.3 million for the corresponding period in 2023. Capital expenditure was mainly incurred for the purpose of upgrading and renovation of plant and machinery in the U.S..

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the Period.

Outlook

Following an extraordinarily blooming market in the post-pandemic era, market has going through a period of adjustment since 2023 and seeing the green shoots of recovery for the second half of 2024. Samson has been constantly striving to react appropriately, focusing on restoring profitability and improving margins through efficient cost control measures, diversifying and continuous improvement of product quality and keep exploring more customers through diverse channels, committed in investing digital marketing and strategies to increase our online presence and attract a wider potential customers, and by continuing to streamline our operations to improve operational efficiencies across the Group. Despite remaining uncertainties, Samson remains optimistic about our growth prospects, underpinned by our steadfast commitment to the long-term strategy.

Leveraging our experienced management team and strategic advantages, Samson has been committed to enhancing and expanding innovative channels that flexibly cater to evolving market demands. Our diversified brand portfolio will be instrumental in enhancing core competitiveness and reaching a broader customer base. By continually improving our core strengths and efficiencies, we are confident in maintaining our competitive edge and pursuing growth opportunities throughout the second half of 2024 and years to come.

Employees and Emolument Policy

As at 30 June 2024, the Group employed approximately 4,700 (30 June 2023: 5,100) full-time employees in Vietnam, the U.S., Bangladesh, the PRC, Indonesia and Taiwan.

For the Period, the total remuneration of employees (including the remuneration of the Company's directors) was approximately US\$55.7 million (six months ended 30 June 2023: US\$57.8 million).

The Company believes that the ability to grow as a successful business depends on the quality of our management and employees. The Company is committed to recruiting, training and retaining skilled and experienced employees throughout our operations globally to better serve our customers. The Company intends to achieve this through our remuneration packages, including discretionary bonuses and share option scheme, as well as an emphasis on employee training. The emolument of the employees of the Group is determined on the basis of their merit, qualifications and competence. The emoluments of the directors and senior management of the Company are decided by the Company's board of directors (the "Board") with the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Dividend

The Board resolved not to declare any interim dividend for the Period (six months ended 30 June 2023: Nil).

Corporate Governance

The Board is committed to maintaining high standard of corporate governance. The Company confirms that it has complied with all code provisions of the Corporate Governance Code (the “CG Code”) contained in the Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the Period, save as mentioned below.

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shan Huei KUO (“Mr. KUO”) is the chairman of the Board and also the chief executive officer of Lacquer Craft Manufacturing Co., Ltd. (Zhejiang). The Group does not intend to separate these two functions as both the Board and senior management of the Group have significantly benefited from the leadership, support and experience of Mr. KUO in his management of the Board and the business of the Company.

Changes in Directors’ Biographical Details

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in formation of Directors subsequent to the date of the 2023 Annual Report of the Company are set out below:

- (1) Mr. LIN Hung Kang (“Mr. LIN”), also known as Hank LIN, aged 63, was appointed as an independent non-executive director of the Company with effect from 21 March 2024. Mr. LIN graduated from Bernard M. Baruch College, the City University of New York, with a master’s degree in business administration in 1992, and is a certified public accountant in Taiwan and New York State, USA.. Mr. LIN has more than 30 years of experience in assurance services and excels in corporate finance, accounting and auditing. Prior to joining the Company, Mr. LIN was a managing partner of Ernst & Young Taiwan.

Mr. LIN is currently an independent non-executive director of each of Johnson Health Tech. Co., Ltd. (stock code: 1736.TW) and O-Bank Co., Ltd. (stock code: 2897.TW); and the corporate representative director of each of Panjit International Inc. (stock code: 2481.TW) and Global Union Industrial Corp. (stock code: 9934.TW). The securities of each of these companies are listed on the Taiwan Stock Exchange Corporation.

As at the date of this report, Mr. LIN holds 213,000 shares of the Company, representing approximately 0.01% issued share capital of the Company.

- (2) Mr. Siu Ki LAU, an independent non-executive director of the Company, has resigned as the independent non-executive director of IVD Medical Holding Limited with effect from 28 March 2024.

Code for Directors’ Securities Transactions

The Company has adopted its own Code for Securities Transactions by Directors and Employees (the “Company’s Code”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules to govern the securities transactions of the directors and relevant employees.

Having made specific enquiry, all directors have confirmed that they have complied with the Model Code and the Company’s Code throughout the Period.

Other Information (cont'd)

Purchase, Sale or Redemption of the Company's Listed Securities

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Share Option Scheme

The Company has adopted a share option scheme on 18 May 2016 (the "2016 Share Option Scheme") to attract and incentivise skilled and experienced personnel. The 2016 Share Option Scheme shall be valid and effective for a period of 10 years until 18 May 2026.

During the Period, no share options were cancelled, lapsed or exercised (six months ended 30 June 2023: Nil).

During the Period, no share options were granted (six months ended 30 June 2023: Nil), and no share option expense was incurred (six months ended 30 June 2023: Nil).

Directors' Interests in Shares and Underlying Shares

As at 30 June 2024, the interests and short positions of the directors or chief executive in the shares and underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of Part XV of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of directors	Capacity	Number of issued ordinary shares held (Long positions)	Percentage of the issued share capital of the Company
Mr. Shan Huei KUO	Interest of corporation controlled by you <i>(Note)</i>	2,146,346,773	70.93%
Ms. Yi-Mei LIU	Interest of corporation controlled by you <i>(Note)</i>	2,146,346,773	70.93%
Mr. Mohamad AMINOZZAKERI	Beneficial owner	10,000,000	0.33%
Mr. Hung Kang LIN	Beneficial owner	213,000	0.01%

Note: The 2,146,346,773 shares were held by Advent Group Limited ("Advent").

Mr. Shan Huei KUO and Ms. Yi-Mei LIU each holds 50% of the equity interest in Magnificent Capital Holding Limited which owns 70% of the issued share capital of Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are husband and wife. Therefore, Mr. Shan Huei KUO and Ms. Yi-Mei LIU are deemed to be interested in the shares of the Company which are owned by Advent.

Other than as disclosed above, none of the directors or chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2024.

Substantial Shareholders' Interests in Shares

As at 30 June 2024, the interests and short positions of the substantial shareholders and other persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of Part XV of the SFO were as follows:

Name of substantial shareholders	Capacity	Number of issued ordinary shares held (Long positions)	Percentage of the issued share capital of the Company
Magnificent Capital Holding Limited	Interest of corporation controlled by you (<i>Note</i>)	2,146,346,773	70.93%
Advent Group Limited ("Advent")	Beneficial owner	2,146,346,773	70.93%

Note: Mr. Shan Huei KUO and Ms. Yi-Mei LIU each holds 50% of the equity interest in Magnificent Capital Holding Limited which owns 70% of the issued share capital of Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are husband and wife. Therefore, Mr. Shan Huei KUO and Ms. Yi-Mei LIU are deemed to be interested in the shares of the Company which are owned by Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are also the directors of Advent and Magnificent Capital Holding Limited.

Independent Auditors and Audit Committee Review

The unaudited interim condensed consolidated financial information of the Group for the Period has been reviewed by Ernst & Young, the independent auditor of the Company, of which the review report is included in the interim report to be available to the shareholders of the Company and the audit committee of the board (the "Audit Committee"). There was no disagreement by the Audit Committee with the accounting treatment adopted by the Company for the preparation of unaudited interim results and interim report for the Period.

Independent Review Report



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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香港鰂魚涌英皇道 979 號
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To the board of directors of Samson Holding Ltd.

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 11 to 30, which comprises the condensed consolidated statement of financial position of Samson Holding Ltd. (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review of interim financial information consists of making inquiries, 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 Hong Kong Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

23 August 2024

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
REVENUE	4	200,072	215,630
Cost of sales		(147,339)	(163,010)
Gross profit		52,733	52,620
Other income, gains, losses and expenses		7,549	12,503
Distribution costs		(4,800)	(7,081)
Sales and marketing expenses		(28,799)	(29,725)
Administrative expenses		(23,495)	(23,814)
Share of (loss)/profit of an associate		(56)	17
Finance costs		(4,101)	(5,873)
LOSS BEFORE TAX	5	(969)	(1,353)
Income tax credit	6	253	230
LOSS FOR THE PERIOD		(716)	(1,123)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic (in US cent)	8	(0.024)	(0.037)
– Diluted (in US cent)		(0.024)	(0.037)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 <i>US\$'000</i> (Unaudited)	2023 <i>US\$'000</i> (Unaudited)
LOSS FOR THE PERIOD	(716)	(1,123)
OTHER COMPREHENSIVE (LOSS)/INCOME		
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(2,096)	419
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(2,812)	(704)

Interim Condensed Consolidated Statement of Financial Position

At 30 June 2024

	<i>Notes</i>	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	72,837	76,243
Investment properties		12,181	12,556
Right-of-use assets		58,647	63,454
Goodwill		25,793	25,793
Other intangible assets		4,400	4,400
Investment in an associate		1,016	1,072
Deferred tax assets		15,049	13,244
Deposits	10	–	235
Total non-current assets		189,923	196,997
CURRENT ASSETS			
Inventories		107,081	115,202
Trade and other receivables	10	83,638	80,279
Held-for-trading investments	11	82,320	83,559
Tax recoverable		675	705
Cash and cash equivalents	12	48,291	55,209
Total current assets		322,005	334,954
CURRENT LIABILITIES			
Trade and other payables	13	57,605	49,257
Interest-bearing bank borrowings	14	102,698	124,866
Lease liabilities		5,987	4,478
Tax payable		19,932	19,268
Total current liabilities		186,222	197,869
NET CURRENT ASSETS		135,783	137,085
TOTAL ASSETS LESS CURRENT LIABILITIES		325,706	334,082

Interim Condensed Consolidated Statement of Financial Position (cont'd)

At 30 June 2024

	<i>Notes</i>	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowing	14	–	2,297
Lease liabilities		5,669	9,597
Deferred tax liabilities		8,250	7,589
		13,919	19,483
Net assets		311,787	314,599
EQUITY			
Issued capital	15	151,291	151,291
Reserves		160,496	163,308
Total equity		311,787	314,599

Shan Huei KUO
Director

Yi-Mei LIU
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Note	Capital							Total equity US\$'000
		Issued capital US\$'000	Share premium US\$'000	redemption reserve US\$'000	Merger reserve US\$'000	Other reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	
At 1 January 2024 (audited)		151,291	106,050	1,012	1,581	(6,787)	(15,848)	77,300	314,599
Loss for the period		-	-	-	-	-	-	(716)	(716)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations		-	-	-	-	-	(2,096)	-	(2,096)
Total comprehensive loss for the period		-	-	-	-	-	(2,096)	(716)	(2,812)
At 30 June 2024 (unaudited)		151,291	106,050*	1,012*	1,581*	(6,787)*	(17,944)*	76,584*	311,787
At 1 January 2023 (audited)		151,291	106,050	1,012	1,581	(6,787)	(15,665)	77,885	315,367
Loss for the period		-	-	-	-	-	-	(1,123)	(1,123)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations		-	-	-	-	-	419	-	419
Total comprehensive loss for the period		-	-	-	-	-	419	(1,123)	(704)
Final 2022 dividend	7	-	-	-	-	-	-	(3,873)	(3,873)
At 30 June 2023 (unaudited)		151,291	106,050	1,012	1,581	(6,787)	(15,246)	72,889	310,790

* These reserve accounts comprise the consolidated reserves of US\$160,496,000 (31 December 2023: US\$163,308,000) in the interim condensed consolidated statement of financial position as at 30 June 2024.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Note	For the six months ended 30 June	
		2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Net cash flows from operating activities		21,234	43,251
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividend received		3,447	2,875
Purchases of items of property, plant and equipment		(1,704)	(6,250)
Proceeds from disposal of items of property, plant and equipment		75	3,511
Purchase of held-for-trading investments		(1,192)	(719)
Redemption on maturity of held-for-trading investments		1,307	683
(Increase)/decrease in bank deposits with original maturity of more than three months when acquired		(2,135)	204
Net cash flows (used in)/from investing activities		(202)	304
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		71,299	102,204
Repayment of bank loans		(94,710)	(129,352)
Principal portion of lease payments		(2,455)	(2,562)
Dividend paid		–	(3,873)
Interest paid		(3,751)	(5,490)
Net cash flows used in financing activities		(29,617)	(39,073)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of period		34,650	42,895
Effect of foreign exchange rate changes, net		(468)	(562)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		25,597	46,815
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	12	48,291	67,957
Bank deposits with original maturity of more than three months when acquired		(22,694)	(21,142)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		25,597	46,815

Notes to Interim Condensed Consolidated Financial Information

30 June 2024

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised HKFRSs are described below: (continued)

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group's revenue arises principally from the manufacturing and sale of furniture.

For the purposes of resources allocation and performance assessment, the Group's executive directors review the operating results and financial information on a brand-by-brand basis. They focus on the operating results of each brand. Each brand constitutes an operating segment of the Group. As the brands share similar economic characteristics, have similar products, are produced under similar production processes and have a similar target group of customers, the Group's operating segments are aggregated into a single reportable segment and accordingly no separate segment information is prepared.

Segment profit before tax of US\$18,784,000 (six months ended 30 June 2023: US\$15,431,000) represents the loss before tax earned by the single reportable segment excluding administrative expenses, other income, gains, losses and expenses, non-lease-related finance costs and share of (loss)/profit of an associate.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of furniture	200,072	215,474
<i>Revenue from other sources</i>		
Service fee income	–	156
	200,072	215,630

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

4. REVENUE (continued)

Revenue from contracts with customers

Disaggregated revenue information

Segment – Furniture

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Types of goods		
Sale of furniture	200,072	215,474
Geographical markets		
The People's Republic of China	2,147	2,767
The United States of America (the "U.S.")	195,560	203,703
Others	2,365	9,004
Total	200,072	215,474
Timing of revenue recognition		
Goods transferred at a point in time	200,072	215,474

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment – Furniture

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Revenue from contracts with customers		
External customers	200,072	215,474

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Cost of inventories sold	144,939	164,078
Write-down/(reversal of write-down) of inventories to net realisable value, net	2,400	(1,068)
Depreciation of investment properties	705	1,420
Depreciation of property, plant and equipment	4,248	4,660
Depreciation of right-of-use assets	2,971	3,163
Reversal of impairment of trade receivables, net	(545)	(1,286)
Net gain on held-for-trading investments	(825)	(2,085)
Gain on disposal of items of property, plant and equipment	(12)	(2,856)
Bank interest income	(1,491)	(780)
Foreign exchange differences, net	575	577

6. INCOME TAX

For the Group's subsidiaries established in the U.S., income tax is calculated at the rate of 21% (six months ended 30 June 2023: 21%).

No provision for Hong Kong profits tax has been made in the current period as the Group did not generate any assessable profits arising in Hong Kong during the current period (six months ended 30 June 2023: Nil).

Taiwan income tax is calculated at 20% (six months ended 30 June 2023: 20%) of certain subsidiaries' assessable profits.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Current tax:		
The U.S.	211	54
Taiwan	576	1,813
Elsewhere	104	34
Deferred tax	(1,144)	(2,131)
Total tax credit for the period	(253)	(230)

7. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2023, a final dividend of HK\$0.01 per share, amounting to approximately HK\$30.3 million (approximately US\$3.9 million) in aggregate, for the year ended 31 December 2022 was paid to the shareholders of the Company.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted loss per share for the period are based on:

	For the six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to ordinary equity holders of the parent for the purpose of basic and diluted loss per share calculations	(716)	(1,123)

	For the six months ended 30 June	
	2024	2023
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue during the period used in basic and diluted loss per share calculations	3,025,814,773	3,025,814,773

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment of US\$1,704,000 (six months ended 30 June 2023: US\$6,250,000). In addition, the Group disposed of certain items of property, plant and equipment with an aggregate carrying amount of US\$63,000 (six months ended 30 June 2023: US\$655,000) for cash proceeds of US\$75,000 (six months ended 30 June 2023: US\$3,511,000), resulting in a gain on disposal of US\$12,000 (six months ended 30 June 2023: US\$2,856,000).

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

10. DEPOSITS, TRADE AND OTHER RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Trade receivables:		
Within 1 month	28,124	24,491
1 to 2 months	6,050	7,881
Over 2 months	15,174	14,116
	49,348	46,488
Deposits, other receivables and prepayments	34,290	34,026
	83,638	80,514
Portion classified as current assets	(83,638)	(80,279)
	–	235

11. HELD-FOR-TRADING INVESTMENTS

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Debt securities, at fair value:		
Listed in Hong Kong with average yield rate of 3.41% and maturity from March 2025 to January 2028	1,106	1,081
Listed in Singapore with average yield rate of 3.52% to 3.91% and maturity from January 2024 to August 2030	2,389	2,893
Listed in other jurisdictions with average yield rate of 3.83% to 4.19% and maturity from January 2024 to September 2080	3,565	3,181
Investment fund portfolio A, at fair value (<i>Note</i>)	74,630	75,777
Investment fund portfolio B, at fair value (<i>Note</i>)	224	214
Investment fund portfolio C, at fair value (<i>Note</i>)	173	176
Investment fund portfolio D, at fair value (<i>Note</i>)	233	237
	82,320	83,559

The above investments as at 30 June 2024 and 31 December 2023 were classified as financial assets at fair value through profit or loss as they are held for trading.

11. HELD-FOR-TRADING INVESTMENTS (continued)

Note: The investment fund portfolios A, B, C and D were mandatorily classified as financial assets at fair value through profit or loss, as their contractual cash flows were not solely payments of principal and interest. Investment fund portfolio A was a wealth management product issued by Union Banicare Privée in Luxembourg. The Group acquired investment fund portfolio A at an investment cost of US\$80,500,000. During the six months ended 30 June 2024, the Group received dividend of US\$1,809,000 (six months ended 30 June 2023: US\$1,959,000) from investment fund portfolio A and the Group did not acquire or dispose of investment fund portfolio A during the period. As at 30 June 2024, the Group holds 80,500 units (31 December 2023: 80,500 units) of investment fund portfolio A which accounted for approximately 14.6% (31 December 2023: 14.2%) of the total assets of the Group, and the unrealised loss of investment fund portfolio A amounted to US\$1,147,000 was charged to statement of profit or loss during the six months ended 30 June 2024 (six months ended 30 June 2023: US\$105,000). The Group holds the investment fund portfolio A for capital appreciation and has been closely monitoring the performance from time to time.

12. CASH AND CASH EQUIVALENTS

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Cash and bank balances	25,597	34,650
Time deposits	22,694	20,559
Cash and cash equivalents	48,291	55,209

13. TRADE AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Trade payables:		
Within 1 month	11,346	10,075
1 to 2 months	3,846	2,271
Over 2 months	7,375	5,169
Other payables and accruals	22,567	17,515
	35,038	31,742
	57,605	49,257

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2024			31 December 2023		
	Effective interest rate (%)	Maturity	US\$'000 (Unaudited)	Effective interest rate (%)	Maturity	US\$'000 (Audited)
Current						
Bank loans – unsecured	1.00 – 6.12	2024 – 2025	72,698	2.40 – 6.80	2024	94,866
Bank loan – secured	6.90	2024	30,000	6.90	2024	30,000
			102,698			124,866
Non-current						
Bank loan – unsecured			–	1.00	2025	2,297
			102,698			127,163

15. SHARE CAPITAL

	Number of shares	Nominal value US\$'000
Ordinary shares of US\$0.05 each		
Authorised:		
At 31 December 2023 and 30 June 2024	6,000,000,000	300,000
Issued and fully paid:		
At 31 December 2023 and 30 June 2024	3,025,814,773	151,291

16. SHARE OPTION SCHEME

The Company operates share option scheme (the “Share Option Scheme”) to attract skilled and experienced personnel, to incentivise them to remain with the Group to give effect to the Group’s customer-focused corporate culture, and to motivate them to strive for the future development and expansion of the Group, by providing them with the opportunity to acquire equity interests in the Company. Eligible participants of the Share Option Scheme include any employee, any management member or director of the Group and third party service providers.

16. SHARE OPTION SCHEME (continued)

On 18 May 2016, a new share option scheme (the “2016 Share Option Scheme”) was approved by a resolution of the shareholders and adopted by a resolution of the board of directors of the Company.

The maximum number of shares to be issued in respect of which options may be granted under the 2016 Share Option Scheme, upon their exercise, shall not exceed 10% of the issued share capital of the Company on 18 May 2016, i.e. 304,360,977 shares.

The maximum number of shares issuable under share options to each eligible participant in the 2016 Share Option Scheme within any 12-month period is limited to 1% of the issued share capital of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options to be granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective close associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options to be granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective close associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 14 days from the date of offer, upon payment of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and stated in the offer letter of the grant of options.

Subject to early termination of the 2016 Share Option Scheme in accordance with the scheme rules, the 2016 Share Option Scheme will expire on 18 May 2026.

The exercise price of share options is determinable by the directors and shall be the highest of: (i) the Stock Exchange closing price of the Company’s shares on the date of grant; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares.

There were no outstanding share options as at 31 December 2023, 1 January 2024 and 30 June 2024.

During the six months ended 30 June 2024, there was no share options granted (six months ended 30 June 2023: Nil), and the Group did not recognise any share option expense (six months ended 30 June 2023: Nil).

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

17. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2024 US\$'000 (Unaudited)	31 December 2023 US\$'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment	2,345	2,470

18. RELATED PARTY TRANSACTIONS

During the period, the Group had the following transaction with a related party:

Name of related company	Nature of transaction	For the six months ended 30 June	
		2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Samson Global Co., Ltd.	Rental paid	19	20

Samson Global Co., Ltd is beneficially owned and jointly controlled by Mr. Shan Huei KUO and Ms. Yi-Mei LIU, both being directors and ultimate controlling shareholders of the Company.

Compensation of key management personnel

The remuneration of members of key management personnel during the period was as follows:

	For the six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Short-term benefits	463	472

The remuneration of directors and key executives is determined by the Remuneration Committee of the Company having regard to the performance of the individuals and market trends.

19. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30 June 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Held for trading <i>US\$'000</i> (Unaudited)	cost <i>US\$'000</i> (Unaudited)	<i>US\$'000</i> (Unaudited)
Trade receivables	–	49,348	49,348
Financial assets included in deposits, other receivables and prepayments	–	28,936	28,936
Held-for-trading investments	82,320	–	82,320
Cash and cash equivalents	–	48,291	48,291
	82,320	126,575	208,895

Financial liabilities

	Financial liabilities at amortised cost <i>US\$'000</i> (Unaudited)
Trade payables	22,567
Financial liabilities included in other payables and accruals	9,866
Interest-bearing bank borrowings	102,698
Lease liabilities	11,656
	146,787

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2024

19. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Held for trading		
	US\$'000	US\$'000	US\$'000
	(Audited)	(Audited)	(Audited)
Trade receivables	–	46,488	46,488
Financial assets included in deposits, other receivables and prepayments	–	24,986	24,986
Held-for-trading investments	83,559	–	83,559
Cash and cash equivalents	–	55,209	55,209
	83,559	126,683	210,242

Financial liabilities

	Financial liabilities at amortised cost
	US\$'000
	(Audited)
Trade payables	17,515
Financial liabilities included in other payables and accruals	9,610
Interest-bearing bank borrowings	127,163
Lease liabilities	14,075
	168,363

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in deposits, other receivables and prepayments, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings had been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2024 was assessed to be insignificant.

The Level 1 and Level 2 fair values of the held-for-trading investments are based on quoted market prices and quotes from financial institutions, respectively.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using		Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	
As at 30 June 2024			
Held-for-trading investments	7,060	75,260	82,320
As at 31 December 2023			
Held-for-trading investments	7,155	76,404	83,559

The Group did not have any financial liabilities measured at fair value as at 30 June 2024 and 31 December 2023.

During the six months ended 30 June 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2023: Nil).

21. EVENTS AFTER THE REPORTING PERIOD

On 16 July 2024, Glory Mount (HK) Limited (the “Offeror”) and the Company jointly published an announcement (the “Joint Announcement”). Unless otherwise defined, capitalised terms used in this section headed “Events After Reporting Period” shall have the same meanings as those defined in the Joint Announcement. As disclosed in the Joint Announcement, on 11 July 2024, the Offeror requested the Board to put forward a proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act which, if approved, would result in the withdrawal of listing of the Shares on the Stock Exchange. For further details, please refer to the Joint Announcement.

As stated in the Joint Announcement, the Scheme Document together with proxy forms in relation thereto, will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations. As additional time is required to (among others) prepare and finalise certain information to be included in the Scheme Document, an application for consent has been made to the Executive, and the Executive has indicated that it is minded to grant its consent to an extension of the time limit for despatching the Scheme Document from 6 August 2024 to 4 October 2024. For further details, please refer to the joint announcement dated 5 August 2024 jointly published by the Offeror and the Company.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 23 August 2024.