Luxey International (Holdings) Limited
薈萃國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: http://www.luxey.com.hk

ANNUAL RESULTS 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

HIGHLIGHTS

- The Group has recorded a total revenue of approximately HK$131,778,000 for the year ended 30 June 2019, representing approximately 16% decrease comparing to the year ended 30 June 2018.

- The Group's gross loss amounted to approximately HK$2,353,000 for the year ended 30 June 2019.

- The Group has recorded a loss attributable to owners of the Company for the year ended 30 June 2019 of approximately HK$3,898,000, representing a basic loss per share of HK0.057 cents.

- The Directors do not recommend the payment of any dividend for the year ended 30 June 2019.

- The Group has bank and cash balances of approximately HK$47,701,000; no short-term and long-term borrowings as at 30 June 2019.

AUDITED ANNUAL RESULTS

The Board of Directors (the "Board") of the Company announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2019, together with the comparative audited figures for the year ended 30 June 2018, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2019

	Note	**2019** *HK$'000*	2018 *HK$'000*
Revenue	*4*	**131,778**	156,572
Cost of sales and service rendered		**(134,131)**	(195,894)
Gross loss		**(2,353)**	(39,322)
Other income	*5*	**6,578**	2,607
Impairment of property, plant and equipment		**(1,201)**	(6,789)
Impairment of goodwill		**–**	(78,064)
Allowance for trade and loan receivables, net		**14,615**	(19,641)
Selling expenses		**(1,150)**	(1,435)
Administrative expenses		**(25,971)**	(22,035)
Loss from operations		**(9,482)**	(164,679)
Finance costs	*6*	**(728)**	(893)
Loss before tax		**(10,210)**	(165,572)
Income tax credit	*7*	**782**	5,954
Loss for the year	*8*	**(9,428)**	(159,618)
Attributable to:			
Owners of the Company		**(3,898)**	(138,268)
Non-controlling interests		**(5,530)**	(21,350)
		(9,428)	(159,618)
Loss per share	*10*		
Basic *(cents per share)*		**(0.057)**	(2.232)
Diluted *(cents per share)*		**(0.057)**	(2.232)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	**2019**	2018
		HK$'000	*HK$'000*
Loss for the year		**(9,428)**	(159,618)
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
(Deficit)/Surplus on revaluation of property, plant and equipment		**(2,624)**	5,027
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(255)**	38
Other comprehensive income for the year, net of tax		**(2,879)**	5,065
Total comprehensive income for the year		**(12,307)**	(154,553)
Attributable to:			
Owners of the Company		**(5,630)**	(134,570)
Non-controlling interests		**(6,677)**	(19,983)
		(12,307)	(154,553)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	**2019** **HK$'000**	2018 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**7,472**	16,970
Club debenture		**50**	50
Total non-current assets		**7,522**	17,020
CURRENT ASSETS			
Inventories		**3,016**	4,882
Trade and other receivables	*11*	**44,260**	52,089
Loan receivables		**7,608**	2,507
Pledged bank deposits		**361**	434
Bank and cash balances		**47,701**	57,853
Total current assets		**102,946**	117,765
CURRENT LIABILITIES			
Trade and other payables	*12*	**20,798**	19,008
Other loans		**–**	26,044
Employee benefit obligations		**2,500**	4,720
Current tax liabilities		**477**	503
Total current liabilities		**23,775**	50,275
Net current assets		**79,171**	67,490
Total assets less current liabilities		**86,693**	84,510
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**122**	1,594
NET ASSETS		**86,571**	82,916

	Note	2019 HK$'000	2018 HK$'000
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	*13*	**263,444**	266,194
Reserves		**(170,700)**	(167,018)
		92,744	99,176
Non-controlling interests		**(6,173)**	(16,260)
TOTAL EQUITY		**86,571**	82,916

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Attributable to owners of the Company								
	Share capital *(note 29)* *HK$'000*	**Share premium** *(note 31(b)(i))* *HK$'000*	**Translation reserve** *(note 31(b)(ii))* *HK$'000*	**Plant and machinery revaluation reserve** *(note 31b)(iii))* *HK$'000*	**Capital redemption reserve** *(note 31(b)(iv))* *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At 1 July 2017	267,194	630,402	(773)	6,568	150	(739,685)	163,856	2,223	166,079
Total comprehensive income for the year	–	–	143	3,555	–	(138,268)	(134,570)	(19,983)	(154,553)
Issue of shares *(note 29(c))*	7,000	62,890	–	–	–	–	69,890	–	69,890
Conversion of series B convertible non-voting preference shares into ordinary shares *(note 29(d))*	(8,000)	8,000	–	–	–	–	–	–	–
Capital contributions from non-controlling interests	–	–	–	–	–	–	–	1,500	1,500
Changes in equity for the year	(1,000)	70,890	143	3,555	–	(138,268)	(64,680)	(18,483)	(83,163)
At 30 June 2018 and 1 July 2018	266,194	701,292	(630)	10,123	150	(877,953)	99,176	(16,260)	82,916
Intial application of HKFRS 9 *(note 3)*	–	–	–	–	–	(802)	(802)	(26)	(828)
Restated balance as at 1 July 2018	266,194	701,292	(630)	10,123	150	(878,755)	98,374	(16,286)	82,088
Total comprehensive income for the year	–	–	(216)	(1,516)	–	(3,898)	(5,630)	(6,677)	(12,307)
Conversion of convertible non-voting preference shares into ordinary shares	(2,750)	2,750	–	–	–	–	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	16,790	16,790
Change in equity for year	(2,750)	2,750	(216)	(1,516)	–	(3,898)	(5,630)	10,113	4,483
At 30 June 2019	263,444	704,042	(846)	8,607	150	(882,653)	92,744	(6,173)	86,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise HKFRS; Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 July 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

HKFRS 9 Financial Instruments; and HKFRS 15 Revenue from Contracts with Customers

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 July 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(i) Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTOCI or FVTPL, and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

(ii) Measurement

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures financial assets at their fair value plus, in the case of financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognsied in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognsied in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(iii) Impairment

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

The following table summarises the impact on the Group's opening accumulated losses as at 1 July 2018 as follows:

	Note	*HK$'000*
Increase in impairment losses for		
– trade receivables	*(a)*	783
– loan receivables		45
Adjustment to accumulated losses from adoption of HKFRS 9 on 1 July 2018	*(a)*	828
Attributable to:		
Owners of the Company		802
Non-controlling interests		26
		828

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 July 2018.

Financial assets	*Note*	**Classification under HKAS 39**	**Classification under HKFRS 9**	**Carrying amount under HKAS 39**	**Carrying amount under HKFRS 9**
				HK$'000	*HK$'000*
Trade receivables	*(a)*	Loans and receivables	Amortised cost	39,837	39,054
Deposits and other receivables	*(a)*	Loans and receivables	Amortised cost	6,354	6,354
Loan receivables	*(a)*	Loans and receivables	Amortised cost	2,507	2,462
Pledged bank deposits	*(b)*	Loans and receivables	Amortised cost	434	434
Bank and cash balances	*(b)*	Loans and receivables	Amortised cost	57,853	57,853

Notes:

(a) Trade receivables, deposits and other receivables and loan receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. Allowances for impairment of trade receivables and loan receivables of approximately HK$783,000 and HK$45,000 was recognised in opening accumulated losses as at 1 July 2018 on transition to HKFRS 9 respectively.

(b) Pledged bank deposits, bank and cash balances that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. There was no impact on the amounts recognised in relation to these assets from the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities as at 1 July 2018 have not been impacted by the initial application.

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 July 2018 results in an additional impairment allowance as follows:

	Note	*HK$'000*
Impairment allowance at 30 June 2018 under HKAS 39		20,138
Additional impairment recognised at 1 July 2018 on:		
Trade receivables	*(a)*	783
Loan receivables	*(a)*	45
Impairment allowance at 1 July 2018 under HKFRS 9		20,966

Impairment losses related to trade and other receivables and loan receivables are presented separately in the consolidated statement of profit or loss.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognsied. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 July 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 July 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and the related interpretations.

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies.

Revenue from sales of goods is recognised when control of the commodities has transferred, being when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from provision of subcontracting services is recognised at the point in time when services performed to the customers.

The adoption of HKFRS 15 does not have significant impacts on the amount of revenue recognised.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 July 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 16 Leases	1 January 2019
HK(IFRIC) 23 Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to HKFRSs 2015 – 2017 Cycle	1 January 2019
Amendments to HKAS 28 Long-term Interest in Associates and Joint Ventures	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 31 December 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, the standard will affect primarily the accounting for the Group's operating leases. The Group's offices, warehouses, director's quarter and car parking spaces are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 35, the Group's future minimum lease payments under non-cancellable operating leases for its offices, warehouses, director's quarter and car parking spaces amounted to approximately HK$16,136,000 as at 30 June 2019. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The amounts will be adjusted for the effects of discounting and the transition reliefs available to the Group.

3. SEGMENT INFORMATION

Swimwear and garment	–	Manufacturing and trading of swimwear and garment products
Trading and on-line shopping related	–	Trading and provision of on-line shopping and media related services
Money lending	–	Money lending business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include other income, finance costs, impairment of goodwill and corporate administrative and other operating expenses. Segment assets do not include club debenture, goodwill and other assets for general administrative use. Segment liabilities do not include loan from a related company and other liabilities for general administrative use.

Information about reportable segment profit or loss, assets and liabilities:

	Swimwear and garment	Trading and on-line shopping related	Money lending	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2019				
Revenue from external customers	**44,721**	**86,637**	**420**	**131,778**
Segment (loss)/profit	**(21,326)**	**1,402**	**(197)**	**(20,121)**
Depreciation	**4,372**	**–**	**–**	**4,372**
Income tax credit	**(782)**	**–**	**–**	**(782)**
Other material non-cash items:				
Allowance for receivables	**(5)**	**(1,748)**	**(88)**	**(1,841)**
Additions to segment non-current assets	**1,307**	**–**	**–**	**1,307**
As at 30 June 2019				
Segment assets	**37,053**	**41,730**	**12,134**	**90,917**
Segment liabilities	**20,368**	**1,408**	**44**	**21,820**
Year ended 30 June 2018				
Revenue from external customers	63,209	93,093	270	156,572
Segment loss	(64,048)	(13,322)	(200)	(77,570)
Depreciation	11,855	–	1	11,856
Income tax credit	(5,954)	–	–	(5,954)
Other material non-cash items:				
Allowance for inventories	(15,507)	–	–	(15,507)
Allowance for receivables	(3,515)	(16,126)	–	(19,641)
Impairment of property, plant and equipment	(6,789)	–	–	(6,789)
Additions to segment non-current assets	1,396	–	37	1,433
As at 30 June 2018				
Segment assets	51,116	59,078	7,923	118,117
Segment liabilities	39,824	28	14	39,866

Reconciliations of segment profit or loss:

	2019	2018
	HK$'000	*HK$'000*
Total profit or loss of reportable segments	**(20,121)**	(77,570)
Impairment of goodwill	**–**	(78,064)
Unallocated amounts:		
Other income	**18,809**	2,868
Administrative expenses	**(7,946)**	(5,959)
Finance costs	**(170)**	(893)
Consolidated loss for the year	**(9,428)**	(159,618)

Reconciliations of segment assets and liabilities:

	2019	2018
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**90,917**	118,117
Club debenture	**50**	50
Other assets	**19,501**	16,618
Consolidated total assets	**110,468**	134,785
Liabilities		
Total liabilities of reportable segments	**21,820**	39,866
Loan from a related company	**–**	10,000
Other liabilities	**2,077**	2,003
Consolidated total liabilities	**23,897**	51,869

Apart from the above, the totals of other material items disclosed in the segment information are the same as the consolidated totals.

Geographical information:

The Group's revenue from external customers by location of the customers and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**66,163**	94,171	**622**	663
PRC except Hong Kong and Macau	**155**	261	**2,274**	3,774
Cambodia	**11,827**	17,604	**4,626**	12,583
United Kingdom	**13,758**	10,580	**–**	–
Spain	**3,353**	5,109	**–**	–
Sweden	**8,688**	8,925	**–**	–
United States of America (the "USA")	**249**	7,253	**–**	–
Netherlands	**4,741**	6,026	**–**	–
Israel	**1,178**	2,294	**–**	–
Italy	**14,711**	–	**–**	–
France	**4,731**	550	**–**	–
Others	**2,224**	3,799	**–**	–
Consolidated total	**131,778**	156,572	**7,522**	17,020

Revenue from major customers:

	2019	2018
	HK$'000	*HK$'000*
Trading and on-line shopping related segment		
Customer a	**64,538**	N/A*
Customer b	**N/A***	51,301
Customer c	**N/A***	25,314

Note:

* *The Corresponding revenue does not contributed over 10% of the total revenue of the Group in the respective year.*

4. REVENUE

The Group's revenue which represents sales of goods to customers, subcontracting fee income and interest income from money lending business are as follows:

	2019	2018
	HK$'000	*HK$'000*
Sales of goods	**119,531**	137,797
Subcontracting fee income	**11,827**	18,505
Interest income from money lending business	**420**	270
	131,778	156,572

5. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Design fee income	**–**	34
Insurance claim received	**42**	–
Interest income	**137**	827
Reversal of allowance for receivables	**–**	55
Reversal of provision for employee benefit obligations	**1,260**	–
Government grants *(note)*	**1,298**	1,123
Sundry income	**32**	568
Interest income from customer late payment	**2,554**	–
Sale of scrap product	**1,255**	–
	6,578	2,607

Note: Government grants were received as refund of value-added tax and export duty. There are no unfulfilled conditions or contingencies attached to the grants.

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on other loans	**728**	893

7. INCOME TAX CREDIT

	2019	2018
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax Overprovision in prior years	**–**	(5,031)
Current tax – PRC Enterprise Income Tax Underprovision in prior years	**–**	31
Deferred tax *(note 30)*	**(782)**	(954)
Income tax credit	**(782)**	(5,954)

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2018: Nil).

Tax charges 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.

The reconciliation between the income tax credit and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2019	2018
	HK$'000	*HK$'000*
Loss before tax	**(10,210)**	(165,572)
Tax at the Hong Kong Profits Tax rate of 16.5% (2018: 16.5%)	**(1,685)**	(27,319)
Tax effect of income that is not taxable	**(2,946)**	(4,207)
Tax effect of expenses that are not deductible	**1,941**	21,961
Tax effect of other temporary differences not recognised	**–**	155
Tax effect of tax losses not recognised	**5,054**	10,192
Tax effect of utilisation of tax losses not previously recognised	**(2,460)**	(336)
Effect of different tax rates of subsidiaries	**(686)**	(1,400)
Overprovision in prior years	**–**	(5,031)
Underprovision in prior years	**–**	31
Income tax credit	**(782)**	(5,954)

8. LOSS FOR THE YEAR

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

	2019	2018
	HK$'000	*HK$'000*
Auditor's remuneration	**460**	910
Cost of inventories sold	**134,131**	195,894
Depreciation	**4,400**	11,856
Allowance for inventories (included in cost of inventories sold)	**–**	15,507
Allowance for trade and loan receivables	**1,841**	19,641
Reversal of allowance for receivables	**(16,456)**	(55)
Loss on disposal of property, plant and equipment	**56**	–
Impairment of property, plant and equipment	**1,201**	6,789
Net foreign exchange losses	**152**	960
Operating lease charges for land and buildings	**4,957**	4,651

There is a reversal of allowance for receivables of approximately HK$16,456,000 (2018: HK$55,000) for the year, being the result of persistent effort on the management of quality of trade receivables and certain long overdue debts are recovered during the year.

Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately HK$20,169,000 (2018: HK$59,675,000) which are included in the amounts disclosed separately above.

9. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 30 June 2019 (2018: Nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$3,898,000 (2018: HK$138,268,000) and the weighted average number of ordinary shares of 6,826,032,587 (2018: 6,195,553,135) in issue during the year.

Diluted loss per share

The exercise of the Group's outstanding convertible non-voting preference shares would be anti-dilutive for the year ended 30 June 2019. The exercise of the Group's outstanding convertible non-voting preference shares and the effect of all potential ordinary shares would be anti-dilutive for the year ended 30 June 2018. Diluted loss per share was the same as the basic loss per share for the years ended 30 June 2019 and 30 June 2018.

11. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**39,899**	39,837
Prepayments, deposits and other receivables	**4,361**	12,252
	44,260	52,089

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 14 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Current to 30 days	**4,632**	15,530
31 – 90 days	**24,759**	12,660
91 – 180 days	**855**	11,594
Over 180 days	**9,653**	53
	39,899	39,837

As at 30 June 2019, an allowance was made for estimated irrecoverable trade receivables of approximately HK$5,435,000 (2018: HK$20,138,000).

Reconciliation of allowance for trade receivables:

	2019	2018
	HK$'000	*HK$'000*
At beginning of year	**20,138**	1,375
Allowance for the year	**1,753**	19,150
Amounts written off	**–**	(332)
Reversal of allowance for the year	**(16,456)**	(55)
At end of year	**5,435**	20,138

As of 30 June 2019, trade receivables of approximately HK$10,508,000 (2018: HK$12,907,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade and bills receivables is as follows:

	2019	2018
	HK$'000	*HK$'000*
1 – 30 days	**1,262**	482
31 – 90 days	**1,420**	778
91 – 180 days	**4,173**	11,594
Over 180 days	**3,653**	53
	10,508	12,907

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2019	2018
	HK$'000	*HK$'000*
Hong Kong dollars	**15,302**	33,401
United States dollars	**24,402**	6,436
RMB	**24**	–
Euro	**171**	–
Total	**39,899**	39,837

12. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**3,450**	787
Due to a substantial shareholder *(note)*	**100**	100
Due to a non-controlling shareholder of a subsidiary *(note)*	**–**	188
Accruals and other payables	**17,248**	17,933
	20,798	19,008

Note: The amount due to a substantial shareholder is unsecured, interest-free and has no fixed terms of repayment. The amount due to a non-controlling shareholder of a subsidiary is unsecured, interest-free and repayable on demand.

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

	2019	2018
	HK$'000	*HK$'000*
Current to 30 days	**1,977**	603
31 – 90 days	**664**	159
91 – 180 days	**711**	15
Over 180 days	**98**	10
	3,450	787

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2019	2018
	HK$'000	*HK$'000*
Hong Kong dollars	**3,196**	303
United States dollars	**–**	15
RMB	**254**	469
Total	**3,450**	787

13. SHARE CAPITAL

	2019	2018
	HK$'000	*HK$'000*
Authorised:		
70,000,000,000 ordinary shares of HK$0.01 each	**700,000**	700,000
2,000,000,000 convertible non-voting preference shares of HK$0.15 each	**300,000**	300,000
312,500,000 series B convertible non-voting preference shares of HK$0.16 each	**50,000**	50,000
	1,050,000	1,050,000

	2019	2018
	HK$'000	*HK$'000*
Issued and fully paid:		
6,828,772,313 (2018: 6,803,772,313) ordinary shares of HK$0.01 each	**68,288**	68,038
1,083,333,333 (2018: 1,103,333,333) convertible non-voting preference shares of HK$0.15 each	**162,500**	165,500
204,100,000 (2018: 204,100,000) series B convertible non-voting preference shares of HK$0.16 each	**32,656**	32,656
	263,444	266,194

A summary of the movements in the authorised and issued share capital of the Company during the years ended 30 June 2019 and 2018 is as follows:

	Note	Number of ordinary shares of HK$0.01 each	Number of convertible non-voting preference shares of HK$0.15 each	Number of series B convertible non-voting preference shares of HK$0.16 each	Par value
		'000	*'000*	*'000*	*HK$'000*
Authorised:					
At 1 July 2016, 30 June 2017, 1 July 2017 and 30 June 2018		70,000,000	2,000,000	312,500	1,050,000
Issued and fully paid:					
At 1 July 2017		5,703,772	1,103,333	279,100	267,194
Issue of shares	*(a)*	700,000	–	–	7,000
Conversion of series B convertible non-voting preference shares	*(b)*	400,000	–	(75,000)	(8,000)
At 30 June 2018 and 1 July 2018		6,803,772	1,103,333	204,100	266,194
Conversion of non-voting preference shares	*(c)*	25,000	(20,000)	–	(2,750)
		6,828,772	1,083,333	204,100	263,444

Notes:

(a) On 8 November 2017, the Company and Wide Select Investments Limited (the "Subscriber II"), an independent third party, entered into a subscription agreement, pursuant to which the Subscriber II agreed to subscribe and the Company agreed to allot and issue an aggregate of 700,000,000 shares at subscription price of HK$0.10 per share (the "Subscription II").

The Subscription II was approved by the shareholders at the extraordinary general meeting of the Company held on 28 November 2017 and a total of 700,000,000 ordinary shares were issued on 30 November 2017. The premium on the issue of shares, amounting to approximately HK$62,890,000, net of share issue expenses, was credited to the Company's share premium account.

(b) On 16 April 2018, 400,000,000 ordinary shares of HK$0.01 each were issued as a result of the conversion of 75,000,000 series B convertible non-voting preference shares.

(c) On 10 August 2018, 25,000,000 ordinary shares of HK$0.01 each were issued as result if the conversion of 20,000,000 convertible non-voting preference shares.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

The gearing ratios at 30 June 2019 and 2018 are as follows:

	2019	2018
	HK$'000	*HK$'000*
Total debt	**23,897**	51,869
Less: cash and cash equivalents	**(47,701)**	(57,853)
Net debt	**(23,804)**	(5,984)
Total equity	**86,571**	82,916
Gearing ratio	**N/A**	N/A

The decrease in the gearing ratio during the year resulted primarily from the issue of shares and decrease in total debt.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group received a report from the share registrars on substantial share interests showing the non-public float and it demonstrated continuing compliance with the 25% limit throughout the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Issue of new shares under general mandate

On 8 November 2017, the Company and Wide Select Investments Limited (the "Subscriber") entered into a subscription agreement, pursuant to which the Subscriber agreed to subscribe and the Company agreed to allot and issue a total of 700,000,000 new shares at the price of HK$0.10 per share (the "Subscription"). The Subscription was completed on 30 November 2017. The premium on the issue of shares, amounting to approximately HK$62,890,000, net of share issue expenses, was credited to the Company's share premium account. The shares ranked pari passu in all respects with the ordinary shares of the Company in issue of the date of allotment.

FINANCIAL PERFORMANCE

For the year ended 30 June 2019 (the "Year"), loss attributable to owners of the Company was approximately HK$3,898,000. Comparing to loss attributable to owners of the Company for year ended 30 June 2018 of approximately HK$138,268,000, the decrease in loss attributable to the owners of the Company was mainly attributable to (i) decrease in gross loss of approximately HK$2,353,000 (2018: HK$39,322,000); (ii) no impairment of goodwill (2018: HK$78,064,000) made for swimwear cash-generating unit ("CGU") and garment and swimwear CGU; (iii) decrease in impairment of property, plant and equipment of approximately HK$1,201,000 (2018: HK$6,789,000); (iv) reverse of allowance for trade and other receivables to approximately HK$14,615,000 (2018: allowance HK$19,641,000); and (v) increase in other income HK$6,578,000 (2018: HK$2,607,000); and partially set off by (i) increase in administrative expenses, HK$25,971,000 (2018: HK$22,035,000); (ii) decrease in income tax credit HK$782,000 (2018: HK$5,954,000).

Revenue and Gross Loss

For the Year, the Group's total revenue and gross loss were approximately HK$131,778,000 and HK$2,353,000 respectively, as comparing to approximately HK$156,572,000 and HK$39,322,000 respectively for the year ended 30 June 2018.

Details of the decrease in total revenue and decrease in gross loss are discussed below:

Manufacturing and trading of high-end swimwear and garment products ("Swimwear and garment segment")

The revenue generated from Swimwear and garment segment for the Year was approximately HK$44,721,000 (2018: HK$63,209,000). Gross loss for the Year was approximately HK$6,888,000 (2018: HK$42,860,000). Gross loss for the Year was 15.40% (2018: gross loss ratio of 67.81%). Decrease in revenue was mainly due to the decrease in garment products orders. Decrease in gross loss for the Year was mainly due to decrease in labour cost and no allowance for inventories, as compared with the corresponding period in 2018.

Trading and on-line shopping related services ("Trading and media related segment")

The revenue generated from Trading and on-line shopping related segment for the Year was approximately HK$86,637,000 (2018: HK$93,093,000). Gross profit for the Year was approximately HK$4,115,000 (2018: HK$3,268,000). Gross profit ratio for the Year was 4.75% (2018: 3.51%). The increase of gross profit was due to increase in revenue from higher profit margin segment of trading of second-hand mobile phones.

Money lending business ("Money lending segment")

The revenue generated from Money lending segment for the Year was approximately HK$420,000 (2018: HK$270,000). Gross profit for the Year was approximately HK$420,000 (2018: HK$270,000). Gross profit ratio for the Year was 100% (2018: 100%).

OPERATIONS

During the Year, the Group maintained an effective cost measures in controlling the cost structure of its operations. Besides, the Group will be extremely prudent in the expansion of its operations in an organic manner. We also believe that it is of the Group's best interest to explore different sources of income while still maintains an effective and efficient overhead structure for our supporting departments in each of the business segments under operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, the Group had total assets of approximately HK$110,468,000 (2018: HK$134,785,000). As at 30 June 2019, the Group had no short term borrowings (2018: HK$26,044,000). The decrease of total borrowings was mainly due to capitalization of the shareholders loan of Ricotex during the Year. As at 30 June 2019, the Group had bank and cash balances of approximately HK$47,701,000 (2018: HK$57,853,000). The Group has a current ratio of approximately 4.33 comparing to that of 2.34 as at 30 June 2018. As at 30 June 2019, the Group's gearing ratio of -27% (2018: -7%) was calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

USE OF PROCEEDS

The Subscription was completed and shares were issued on 30 November 2017. The premium on the issue of shares, amounting to approximately HK$62,890,000, net of share issue expenses, was credited to the Company's share premium account.

All proceeds have been utilised by the Group as to (a) approximately HK$30 million as working capital for its swimwear and garment business including but not limited to purchase of raw materials, rental, wages and other administrative expenses; (b) approximately HK$30 million as working capital for its trading business including but not limited to purchase of inventories; and (c) approximately HK$9.8 million as general working capital of the Group including administrative expenses, professional fees and general corporate expenses. Such use was in accordance with the intended use are set out in the announcement of the Company dated 10 April 2018.

The Company has not conducted any equity fund raising activities during the Year.

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The following are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could be material in the future:

1. Reliance on a small number of key suppliers

The Group's five largest suppliers, which accounted for 65% (2018: 67%) of the Group's total purchases, There is no assurance that these major suppliers shall continue to provide the goods to us at price acceptable to our Group. In the event that our Group were unable to retain these suppliers, or procure replacement suppliers, our business, results of operations, profitability and liquidity might be adversely affected. However, the Group has established strong business relationship with these major suppliers.

2. Reliance on a small number of key customers

The Group's five largest customers, which accounted for 71% (2018: 72%) of the Group's total revenue. There is no assurance that major customers will continue to conduct business with us. In the event that major customers materially reduce their purchase orders with the Group or cease to conduct business with the Group and the Group fails to obtain a comparable level of purchase orders from new customers, the Group's business, result of operations and financial condition may be adversely affected. Customer satisfaction with our products has a profound effects on our profitability. To provide good quality services to our customers, our Group is in constant communication with our customers and potential customers to uncover and create customer needs and help customers make informed decision.

3. Foreign exchange rate risk

The Group business transactions, assets and liabilities are mainly denominated in Hong Kong dollars, Renminbi and United States dollars, of which the Group's exposure to foreign exchange risk is considered as limited. During the Year, the Group did not carry out any hedging activity against foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may have a financial impact on the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

4. Investment risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board of Directors.

As at 30 June 2019, issued and fully paid share capital of the Company included (a) 6,828,772,313 (2018: 6,803,772,313) ordinary shares of HK$0.01 each; (b) 1,083,333,333 convertible non-voting preference shares ("CPS") (2018: 1,103,333,333) of HK$0.15 each; and (c) 204,100,000 (2018: 204,100,000) series B convertible non-voting preference shares ("Series B CPS") of HK$0.16 each. Pursuant to the terms of the CPS and Series B CPS, the conversion prices of the outstanding CPS and Series B CPS were adjusted from HK$0.65 and HK$0.16 per share to HK$0.13 and HK$0.032 per share respectively as a result of completion of the rights issue, and further adjusted to HK$0.12 and HK$0.030 per share respectively as a result of completion of the placing and subscription on 14 October 2016.

HEDGING POLICY

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

CREDIT POLICY

The credit terms given to customers are generally based on the financial strengths of individual customers. The Group generally allows an average credit term of 14 to 90 days to its trade customers.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group had 711 full time employees compared with that of 1,206 in the previous financial year. The staff costs, including directors' remuneration, were approximately HK$33,397,000 (2018: HK$55,735,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong, the PRC and the Cambodia respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including Directors) and consultants to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any material contingent liabilities (2018: Nil).

CHARGE ON ASSETS

The Group has pledged bank deposits of approximately HK$361,000 (2018: HK$434,000) to secure banking facilities granted to the Group.

PROSPECT

For the Swimwear and garment segment, due to the keen competition in the market, the number of orders of high-end swimwear from existing customers decreased in this year. In view of the above, we are actively seeking new business opportunities with new customers and new products. Nevertheless we shall continue with our strategy of expanding customer base and product mix with the aim to improve performance of this segment in the coming year. Also, our Group continues to closely monitor and control cost in order to push up the gross profit margin of Swimwear and garment segment.

For the Trading and on-line shopping related segment, it mainly represented trading of second-hand mobile phones, cameras and electronic parts business. The demand from customers was stable and we would put more resources to develop this segment in the coming year. The Company intends to expand its existing trading business of second-hand mobile phones into assisting mobile phone wholesalers and mobile phone network operators to sell second-hand mobile phones through online platform globally. Our Group will continue to seek and explore other business opportunity for the Trading and on-line shopping related segment.

In order to diversify our business, the Group obtained a Money Lenders Licence in July 2017 and started a new business of money lending in August 2017.

The management of the Group continues to formulate its business strategies to optimise the use of its operating and financial resources. It will consider to diversify its operations including but not limited to invest in financial instruments in order to ensure cash availability through managing cash on hand to best meet the Group's cash and liquidity needs to manage risk.

The Group will also consider to reorganise the non-performing business segments including but not limited to the disposal or downsizing of the non-performing business segments.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There are no purchase, sale or redemption of the Company's listed securities by the Group during the Year.

COMPETING INTERESTS

The Directors are not aware of, as at 30 June 2019, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

DIVIDEND POLICY

The Board has adopts a dividend policy (the"Dividend Policy")during the year, according to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Board shall take into account, included but not limited to:

(i) the Group's liquidity position and future commitments; (ii) the Group's actual and expected financial performance; (iii) the Group's business operation strategy, including expected working capital requirements, capital expenditure requirements and future expansion plans; (iv) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; (v) retained earnings and distributable reserves of the Company; (vi) any restrictions on payment of dividends that may be imposed by the Group's lenders; and (vii) any other factors that the Board deems appropriate.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the Year, the Company is in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except provisions A.4.1 of the CG Code as detailed below:

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, Non-executive Directors should be appointed for a specific term, subject to re-election. The current Independent Non-executive Directors are not appointed for specific terms, but are subject to retirement and re-election at Annual General Meeting of the Company in line with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code.

AUDITOR

The consolidated financial statements for the Year have been audited by Elite Partners CPA Limited. Elite Partners CPA Limited was appointed as auditor of the Company on 11 July 2019 following the resignation of RSM Nelson Wheeler on 11 July 2019. A resolution will be submitted to the Annual General Meeting to re-appoint Elite Partners CPA Limited as auditor of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the Year is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.luxey.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board of
Luxey International (Holdings) Limited
Chan Hiu Kwan
Executive Director

Hong Kong, 26 September 2019

As at the date of this announcement, the Board comprises two (2) Executive Directors, namely, Mr. Lau Chun Fat, George and Ms. Chan Hiu Kwan, and three (3) Independent Non-executive Directors, namely, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of the Company.