



AL GROUP LIMITED
利駿集團(香港)有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8360



INTERIM REPORT **2024**

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This report, for which the directors (the “Directors”) of AL Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

AL Group Limited (the “Company”) together with its subsidiaries (collectively referred to as the “Group”), principally derives its revenue from the following business arms: (i) Design and Fit Out Business, which provides integration of interior design, fit out solutions and repair and maintenance services in Hong Kong; and (ii) Securities Investment Business, which invests in equity securities listed in Hong Kong.

Design and Fit Out Business

The business was established in 1999 under the name of AL Design & Associates Limited (“AL Design”), which is a well-established interior design and fit out solutions provider in Hong Kong. The Group believes that its success is firmly rooted in its extensive experience and portfolio in interior design and fit out works as well as project management. The Group’s services can be broadly categorised as (i) design and fit out and (ii) design only. In addition, the Group also provides maintenance and aftersales services which could cater for its customers’ different requirements.

Securities Investment Business

The Group established the Securities Investment Business during the year ended 31 December 2023. The Group will keep seeking for opportunities of equity appreciation and cash flow return in the equity securities market listed in Hong Kong.

Prospects

For the Design and Fit Out Business, the management of the Group (the “Management”) is committed to strengthen the customer base. The Group will continue to find new orders and customers. Because of the unstable economic condition, there was an adverse impact to the Group and accordingly, the Management will actively keep monitoring the performance of the Group, and will implement appropriate strategy in a timely manner. Despite the uncertainties, the Management still remains positive towards the Design and Fit Out Business in the long run.

The Group commenced the business of securities investment during the year ended 31 December 2023. The Board is optimistic on the prospects of the equity securities market listed in Hong Kong and considered that the new business will further enhance the Company’s financial performance as well as the value of the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Revenue

The Group's revenue decreased from approximately HK\$27.3 million for the six months ended 30 June 2023 to approximately HK\$15.0 million over the same period in 2024, representing a decrease of approximately 45.1%, which was mainly driven by the worsen performance of the "Design and Fit Out Business".

For Securities Investment Business, it had not generated any realised income for the six months ended 30 June 2024.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 June 2023 and 30 June 2024.

	Six months ended 30 June			
	2024		2023	
	HK\$'000	%	HK\$'000	%
Design and Fit Out Business	15,046	100.0	27,278	100.0
Securities Investment Business	–	–	–	–
	15,046	100.0	27,278	100.0

Cost of sales and services

The majority of the Group's cost of sales and services was raw material costs, labor and operating cost of design and fit out business. The Group's cost of sales and services decreased by approximately 57.5% to approximately HK\$9.1 million for the six ended 30 June 2024 as compared to the same period in 2023.

Expense

Selling and administrative expenses for the six months ended 30 June 2024 was approximately HK\$13.7 million (2023: HK\$20.4 million), representing an decrease of approximately HK\$6.7 million. The decrease was mainly due to decrease in legal and professional fees as well as travelling and entertainment expenses.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the period

The loss for the six months ended 30 June 2024 was approximately HK\$5.3 million. The loss for the same period in 2023 was approximately HK\$13.2 million.

Liquidity, Financial and Capital Resources

Capital structure

As at 30 June 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$36,027,000 and HK\$-5,718,000 respectively (31 December 2023: HK\$36,027,000 and HK\$6,000 respectively). Details of the capital management are set out in the Note 20 to the unaudited interim condensed consolidated financial statements.

Cash position

As at 30 June 2024, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$9.4 million (31 December 2023: HK\$26.2 million), representing an decrease of approximately 64.1% as compared to that of at 31 December 2023.

Gearing ratio

As at 30 June 2024, the gearing ratio, expressed as a percentage of interest-bearing debt, borrowings, bond payable, promissory note payable and convertible bond over total assets was approximately 75.5% (31 December 2023: 64.5%). The increase in gearing ratio was mainly resulted by the increase in the amount due to a shareholder and bonds payable as well as the decrease in carrying amount of the cash and cash equivalents. The management will timely monitor the financial position of the Group and deleverage the gearing when appropriate.

Exchange Rate Exposure

The Group's business operations are denominated mainly in Hong Kong dollars ("HK\$"). The Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Pledge of Assets

As at 30 June 2024, the Group did not have any pledged assets (31 December 2023: Nil).

Contingent Liabilities and Capital Commitments

Certain customers of design and fit out contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

As at 30 June 2024, the Group had paid a refundable deposit of HK\$1,238,000 (31 December 2023: HK\$179,000) to an insurance company for a surety bond issued in favour of certain customers by the insurance company amounted to HK\$1,877,000 (31 December 2023: HK\$299,000) which remained outstanding as at 30 June 2024. Where the Group fails to provide satisfactory performance to the customer, the customer may demand the insurance company to pay the sum stipulated in the surety bond and the Group may then become liable to compensate the insurance company accordingly.

Save as disclosed herein, the Group has no other material contingent liabilities (31 December 2023: Nil) and any material capital commitments as at 30 June 2024 (31 December 2023: Nil).

Employees and Emolument Policies

The Group had approximately 35 employees (including Directors) as 30 June 2024 (31 December 2023: 39 employee). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Legal Proceedings

On 8 November 2023, ACE Architectural and Interior Design Limited (“ACE”), a former subsidiary of the Company was ordered to be wound up by the High Court of Hong Kong in HCCW347/2023 and the Provisional Liquidator of ACE was appointed.

ACE filed a notice of appeal against the Order (the “Appeal”) to the Court of Appeal of the High Court on 6 December 2023. At the time of filing of the notice of Appeal on 6 December 2023, the Board had undertaken a parallel effort to seek legal advice in evaluating the substantive legal merits. Failure to file the notice of Appeal within the 28-day time limit from the date of the Order would have resulted in ACE forfeiting its right to pursue such Appeal.

After due deliberation on the legal assessment, the Board has resolved not to proceed with the Appeal. Given (i) the insolvency of ACE with net liabilities of approximately HK\$65 million as at the Deconsolidation Date; (ii) the substantial requisite funding from the Group to remedy the insolvent condition of ACE; and (iii) the ongoing litigation time and costs associated with continued pursuit of the Appeal, the Board considers that the withdrawal of the Appeal represents the most prudent and beneficial course of action for the Company, and is in the interests of the Company and the shareholders of the Company.

To the best knowledge, information and belief of the Board, the Group had not provided any form of corporate guarantee or collateral to secure the external debts incurred by ACE. With no contingent liabilities incumbent upon the Group for ACE’s failure to repay those external debts, the Company considers that there will be no adverse impact on the financial position of the Group. Details were set out in the Company’s announcements dated 8 November 2023 & 9 July 2024.

Significant Event after the Reporting Period

Saved as disclosed elsewhere in this interim report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this interim report.

Interim Dividend

The board of the Directors of the Company (the “Board”) does not declare any interim dividend for the six months ended 30 June 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Significant Investments Held

As at 30 June 2024, the Group held approximately HK\$13 million of equity investments which were classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Details of the significant listed equity investments are as follows:

	Notes	Place of incorporation	Gain on change in fair value HK\$'000	Market value HK'000	Approximate percentage of equity investment %	Approximate percentage to the total asset %	Approximate percentage to the interest in the respective investment as at 30 June 2024 %
HSBC Holdings plz (0005.hk)	1	England	341	2,702	20.8	5.8	<0.01
Chinese Estates Holdings Limited (0127.hk)	2	Bermuda	810	3,110	23.9	6.7	0.11
Spring Real Estate Investment Trust (1426.hk)	3	Hong Kong	1	201	1.5	0.4	<0.01
Sun Hing Printing Holdings Limited (1975.hk)	4	Cayman Islands	6	216	1.7	0.5	0.13
Far East Hotels And Entertainment Limited (0037.hk)	5	Hong Kong	230	2,530	19.5	5.4	0.88
Hong Kong Exchanges and Clearing Limited (0388.hk)	6	Hong Kong	75	2,002	15.4	4.3	<0.01
HMVOD Limited (8103.hk)	7	Cayman Islands	(132)	2,241	17.2	4.8	2.16
Geely Automobile Holdings Limited (0175.hk)	8	Cayman Islands	13	N/A	N/A	N/A	0.0
Alibaba Group Holding Limited (9988.hk)	9	Cayman Islands	(177)	N/A	N/A	N/A	0.0
China Construction Bank Corporation (0939.hk)	10	PRC	145	N/A	N/A	N/A	0.0
Industrial and Commercial Bank of China Limited (1398.hk)	11	PRC	448	N/A	N/A	N/A	0.0
CSOP Hang Seng TECH Index ETF (3033.hk)	12	Hong Kong	83	N/A	N/A	N/A	0.0
China Merchants Bank Co., Ltd. (3968.hk)	13	PRC	269	N/A	N/A	N/A	0.0
Ping An Insurance (Group) Company of China, Ltd (2318.hk)	14	PRC	177	N/A	N/A	N/A	0.0
CASH Financial Services Group Limited (0510.hk)	15	Bermuda	261	N/A	N/A	N/A	0.0
			2,550	13,002	100.0	27.9	

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Notes:

1. HSBC Holdings plc (HSBC) is the banking and financial services company. Dividend of approximately HK\$269,000 was received during the period.
2. Chinese Estates Holdings Limited is engaged in property development and trading, property leasing and securities investments.
3. Spring Real Estate Investment Trust is engaged in owning and investing in income producing real estate assets.
4. Sun Hing Printing Holdings Limited is engaged in the manufacturing and sale of printing products.
5. Far East Hotels And Entertainment Limited is engaged in hotel operation, property investment and securities investment.
6. Hong Kong Exchanges and Clearing Limited is listed exchange operator and market regulator. Dividend of approximately HK\$31,000 was received during the period.
7. HMVOD Limited is engaged in the OTT Internet entertainment video service system and the development business
8. Geely Automobile Holdings Limited is engaged in the research, production, marketing and sales of sedans and related automobile components in the PRC.
9. Alibaba Group Holding Limited is engaged in digital media and entertainment segment.
10. China Construction Bank Corporation is engaged in a range of banking service and related financial services.
11. Industrial and Commercial Bank of China Limited is the banking and financial services company.
12. CSOP Hang Seng TECH Index ETF is a sub-fund of CSOP Leveraged and Inverse Series, an umbrella unit trust established under Hong Kong law.
13. China Merchants Bank Co., Ltd. is a commercial bank incorporated in Shenzhen.
14. Ping An Insurance (Group) Company of China, Ltd is engaged in insurance services, provision of financial products, banking, asset management, and technology.
15. CASH Financial Services Group Limited is provision of brokerage of securities and derivatives, money lending services and investment management services.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In view of the recent volatile in the stock market, the Board will adopt cautious measures to manage the Group's investment portfolio with an aim to provide positive return to the Group in the near future.

Save as disclosed herein and except for investment in subsidiaries, the Group did not have any significant investment in equity interest as at 30 June 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS

Save as disclosed elsewhere in this report, there were no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the period ended 30 June 2024.

Saved as disclosed in this report, there was no future plan for material investments or capital assets as at 30 June 2024.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of Directors (the “Board”) of AL Group Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2024 together with the comparative figures as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	15,046	27,278
Other income	5	1,450	826
Other gains, net	6	2,406	1,256
Subcontracting and materials costs		(9,133)	(21,414)
Employee benefit expenses		(8,214)	(13,124)
Rental expenses		(586)	–
Other expenses	7	(4,888)	(7,232)
Operating loss		(3,919)	(12,410)
Finance income		120	–
Finance costs		(1,287)	(797)
Share of loss of an associate		(170)	–
Loss before tax		(5,256)	(13,207)
Income tax expense	8	–	–
Loss for the period		(5,256)	(13,207)
(Loss)/profit for the period attributable to:			
Owners of the Company		(5,879)	(12,322)
Non-controlling interests		623	(885)
		(5,256)	(13,207)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		16	–
<i>Items that will not be reclassified to profit or loss</i>			
Gain on change in fair value of financial assets at fair value through other comprehensive income		139	328
Other comprehensive income for the period, net of tax		155	328
Total comprehensive expense for the period, net of tax		(5,101)	(12,879)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(5,724)	(11,994)
Non-controlling interests		623	(885)
		(5,101)	(12,879)
		HK cents (Unaudited)	HK cents (Unaudited)
Loss per share	10		
Basic		(1.63)	(3.42)
Diluted		N/A	N/A

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	415	380
Right-of-use assets	12	278	556
Goodwill		311	–
Interests in associates		–	834
Financial assets at fair value through other comprehensive income		1,801	1,662
		2,805	3,432
Current assets			
Inventories		246	–
Trade and other receivables	13	16,650	9,382
Financial assets at fair value through profit or loss	14	11,201	6,655
Contract assets	15	6,294	7,140
Amount due from non-controlling interest		5	5
Cash and cash equivalents		9,373	26,176
		43,769	49,358
Current liabilities			
Trade and other payables	16	12,660	17,221
Contract liabilities	15	3,417	1,050
Amount due to a shareholder	17	2,739	1,975
Amounts due to non-controlling interests		1,001	758
Borrowings		5,775	5,160
Current income tax payable		36	36
		25,628	26,200

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2024

	Notes	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Net current assets		18,141	23,158
Total assets less current liabilities		20,946	26,590
Non-current liabilities			
Borrowings		–	1,575
Promissory note payable		489	463
Bonds payable	18	22,780	21,943
Convertible bond	19	3,074	2,905
		(26,343)	(26,886)
Net liabilities		(5,397)	(296)
Equity			
Share capital	20	36,027	36,027
Reserves		(41,745)	(36,021)
Equity attributable to owners of the Company		(5,718)	6
Non-controlling interests		321	(302)
Total equity		(5,397)	(296)

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Convertible bond reserve HK\$'000				Accumulated losses HK\$'000
At 1 January 2024 (Audited)	36,027	134,917	5,922	11	-	4,447	2,234	(183,552)	6	(302)	(296)
(Loss)/profit for the period	-	-	-	-	-	-	-	(5,879)	(5,879)	623	(5,256)
Other comprehensive income	-	-	-	139	16	-	-	-	155	-	155
Total comprehensive expense for the period	-	-	-	139	16	-	-	(5,879)	(5,724)	623	(5,101)
At 30 June 2024 (Unaudited)	36,027	134,917	5,922	150	16	4,447	2,234	(189,431)	(5,718)	321	(5,397)
At 1 January 2023 (Audited)	36,027	134,917	5,922	(370)	-	150	-	(167,695)	8,951	(24,525)	(15,574)
Loss for the period	-	-	-	-	-	-	-	(12,322)	(12,322)	(885)	(13,207)
Other comprehensive income	-	-	-	328	-	-	-	-	328	-	328
Total comprehensive expense for the period	-	-	-	328	-	-	-	(12,322)	(11,994)	(885)	(12,879)
Recognition of equity-settled share-based payments	-	-	-	-	-	4,297	-	-	4,297	-	4,297
Recognition of equity component of convertible bond (note 16)	-	-	-	-	-	-	2,234	-	2,234	-	2,234
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	463	463
Capital injection of a subsidiary	-	-	-	-	-	-	-	-	-	6	6
Capital contribution to a subsidiary from non-controlling interests	-	-	-	-	-	-	-	-	-	606	606
At 30 June 2023 (Unaudited)	36,027	134,917	5,922	(42)	-	4,447	2,234	(180,017)	3,488	(24,335)	(20,847)

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from operating activities		
Net cash used in operations	(14,125)	(4,562)
Investment activities		
Purchase of property, plant and equipment	(138)	(1,510)
Proceeds from disposal of property, plant and equipment	–	600
Purchase of financial assets at fair value through profit or loss	(18,219)	–
Proceeds from disposal of financial assets at fair value through profit or loss	16,084	–
Interest received	120	–
Dividend income from equity investments	300	68
Acquisition of subsidiaries	(327)	285
Disposal of a subsidiary	–	448
Net cash used in investing activities	(2,180)	(109)
Financing activities		
Advance from a shareholder	764	–
Repayment to a shareholder	–	(920)
Proceeds from issue of convertible bond, net	–	4,937
Proceeds from borrowings	540	1,575
Repayment of borrowings	(1,500)	(1,300)
Finance costs paid	(16)	(8)
Payment of lease liabilities	(284)	(993)
Net cash (used in)/generated from financing activities	(496)	3,291

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net decrease in cash and cash equivalents	(16,801)	(1,380)
Cash and cash equivalents at beginning of the period	26,176	12,205
Effect of foreign exchange rate changes	(2)	–
Cash and cash equivalents at end of the period	9,373	10,825
Analysis of cash and cash equivalents at end of the period		
Cash and bank balances	9,373	10,825

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General information

AL Group Limited (the “Company”) was incorporated in the Cayman Islands on 1 February 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established a place of business in Hong Kong which is located at Unit 204A, 2/F, Century Centre, 44-46 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and, together with its subsidiaries (collectively referred to as the “Group”), are principally engaged in the provision of interior design and fit out solutions as well as overall project management and securities investment in Hong Kong.

The shares of the Company (the “Share(s)”) were listed on GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These Unaudited Condensed Consolidated Interim Financial Statements is presented in Hong Kong dollars (“HK\$”), and all values are rounded to nearest thousands (“HK\$’000”) except when otherwise stated.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of preparation

The Unaudited Condensed Interim Financial Statements has been prepared on a going concern basis, notwithstanding that the Group had net liabilities of approximately HK\$5,397,000 as at 30 June 2024. In the opinion of the directors, the Group is able to operate as a going concern and has sufficient working capital to finance its operations to meet its financial obligations when they fall due for at least twelve months from the date of approval of these condensed interim financial statements after taking into consideration the following:

- (a) The substantial shareholder of the Company, Mr. Lui Yu Kin, has agreed to provide financial support to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.
- (b) The executive director and Chairman of the Company, Mr. Chan Hung Kai, has agreed to provide financial support to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.
- (c) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business.
- (d) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3 Material accounting policies

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in the historical basis, except for certain financial instruments which are measured at fair value, as appropriate.

Except as described below, the material accounting policies and methods of computation used in the Unaudited Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of new and amended standards effective in respect of the current period had not resulted in significant impact on the Group’s Unaudited Interim Condensed Consolidated Financial Statements. The Group has also not applied any new or amended standards that are not effective in respect of the current period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Design and fit out		
Design and fit out	14,250	25,618
Maintenance and after sales services	796	1,454
Others	–	206
	15,046	27,278
Disaggregated by time of revenue recognition within the scope of HKFRS 15		
Over time	14,250	25,824
At point in time	796	1,454
	15,046	27,278

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

Specially, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

- (i) Design and fit out services – provision of integrated interior design, fit out solutions and repair and maintenance services in Hong Kong.
- (ii) Securities investment – investment in equity securities listed in Hong Kong.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2024

	Design and fit out HK\$'000	Securities investment HK\$'000	Total HK\$'000
Segment revenue	15,046	–	15,046
Segment (loss)/profit	(2,376)	2,523	147
Finance income			120
Unallocated other income			996
Unallocated other losses, net			(64)
Unallocated expenses			(5,015)
Share of loss of an associate			(170)
Finance costs			(1,270)
Loss before income tax			(5,256)
Income expense			–
Loss for the period			(5,256)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

For the six months ended 30 June 2023

	Design and fit out HK\$'000	Securities investment HK\$'000	Total HK\$'000
Segment revenue	27,278	–	27,278
Segment (loss)/profit	(4,272)	68	(4,204)
Finance income			28
Unallocated other income			659
Unallocated other losses, net			1,083
Unallocated expenses			(10,629)
Share of loss of an associate			–
Finance costs			(144)
Loss before income tax			(13,207)
Income expense			–
Loss for the period			(13,207)

Segment revenue represents revenue from external customers. There were no inter-segment sales for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, share of loss of an associate and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Design and fit out	22,439	17,007
Securities investment	13,002	8,317
Total reportable segment assets	35,441	25,324
Unallocated assets	11,133	27,466
Consolidated assets	46,574	52,790

Segment liabilities

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Design and fit out	10,333	12,727
Securities investment	–	–
Total reportable segment liabilities	10,333	12,727
Unallocated liabilities	41,638	40,359
Consolidated liabilities	51,971	53,086

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than goodwill, interests in associates, amount due from non-controlling interest and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than amount due to a shareholder, borrowings, bonds payable, promissory note payable and convertible bond.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

Geographical information

The Group's geographical segments are classified according to the location of its customers. Segment revenue from external customers by location of customers during the period is as follows:

Revenue from external customers

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	15,046	27,278

Information about major customers

Revenue from individual customers contributing over 10% of the revenue of the Group is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	2,451	N/A [#]
Customer B	2,000	N/A [#]
Customer C	1,661	N/A [#]
Customer D	N/A*	6,623
Customer E	N/A*	2,995
Customer F	N/A*	2,856

* The revenue from each of the customer D, customer E and customer F for the six months ended 30 June 2024 did not exceed 10% of the total revenue of the Group for the period.

[#] The revenue from the customer A, customer B and customer C for the six months ended 30 June 2023 did not exceed 10% of the total revenue of the Group for that period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Revenue and Segment Information (Continued)

Geographical information (Continued)

The Group's geographical segments are also classified by the location of assets. Information about the Group's non-current assets by geographical location are detailed as below:

Non-current assets

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Hong Kong	1,004	1,770

Note: Non-current assets excluded financial assets at fair value through other comprehensive income.

5 Other income

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Dividend income from equity investments		
– at fair value through other comprehensive income	127	68
– at fair value through profit or loss	173	–
	300	68
Consultancy fee income	129	500
Management fee income	997	–
Sundry income	24	258
	1,450	826

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Other gains, net

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Gain on change in fair value of financial assets at fair value through profit or loss (Note 14)	2,411	–
Reversal of impairment loss on trade receivables, net	21	174
Reversal of impairment loss on contract assets	32	–
Reversal of trade receivables previously written off	6	–
(Loss)/gain on disposal of a subsidiary (Note 23)	(64)	448
Gain on disposal of property, plant and equipment	–	634
Other gains, net	2,406	1,256

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7 Other expenses

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Advertisement costs	1,303	8
Auditor's remuneration	525	480
Building management fee	45	458
Equity-settled share-based payments to consultants	–	62
Depreciation of property, plant and equipment (Note 11)	202	587
Depreciation of right-of-use assets (Note 12)	278	894
Legal and professional fees	855	1,378
Travelling and entertainment	863	1,220
Other operating expenses	817	2,145
	4,888	7,232

8 Income tax expense

No provision for Hong Kong profits tax for the six months ended 30 June 2024 and 30 June 2023 has been made in the condensed consolidated interim financial statements as the Group has no assessable profits both of these periods.

9 Dividends

No dividend has been paid or declared by the Company for the six months ended 30 June 2024 (2023: Nil).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue, as follows:

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Loss attributable to owners of the Company (in HK\$'000)	(5,879)	(12,322)
Weighted average number of ordinary shares in issue ('000)	360,274	360,274
Basic loss per share (in HK cents)	(1.63)	(3.42)

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company and weighted average number of ordinary shares, as follows:

(i) Loss

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the purpose of basic loss per share	(5,879)	(12,322)
Adjustments for the calculation of diluted loss per share		
– exercise of share options	N/A	N/A
– interest on convertible bond	N/A	15
Loss for the purpose of diluted loss per share	N/A	N/A

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Loss per share (Continued)

(b) Diluted loss per share (Continued)

(ii) Weighted average number of ordinary shares

	Six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	360,274	360,274
Effect of exercise of Share Option 2020	470	734
Effect of exercise of Share Option 2023	–	6,860
Effect of conversion of convertible bond	–	57
Weighted average number of ordinary shares for the purpose of diluted loss per share	N/A	N/A

The computation of diluted loss per share does not assume the conversion of convertible bond and exercise of Share Option 2023 as the conversion price of the convertible bond and the exercise price of the Share Option 2023 were both higher than the average market price for shares for six months ended 30 June 2024.

Diluted loss per share for the six months ended 30 June 2024 and 30 June 2023 are not presented as the effects arising from exercise of the Company's share options granted and conversion of convertible bond are anti-dilutive.

11 Property, plant and equipment

During the period, the Group acquired items of property, plant and equipment with a cost of approximately HK\$138,000 (six months ended 30 June 2023: approximately HK\$1,510,000). Depreciation for items of property, plant and equipment was approximately HK\$202,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$587,000).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 Right-of-use assets

During the period, the Group had no additions of right-of-use assets (six months ended 30 June 2023: HK\$1,138,000). Depreciation for items of right-of-use assets charged to profit or loss in respect of the six months ended 30 June 2024 amounted to approximately HK\$278,000 (six months ended 30 June 2023: approximately HK\$894,000).

13 Trade and other receivables

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade receivables (Note)	4,091	2,863
Less: Provision for impairment of trade receivables	(158)	(179)
Trade receivables, net	3,933	2,684
Prepayments, deposits and other receivables	12,717	6,698
	16,650	9,382

Note:

The carrying amounts of trade receivables are denominated in HK\$.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Trade and other receivables (Continued)

Note: (Continued)

The Group grants credit term a period of not more than 30 days to certain customers. The ageing analysis of the Group's trade receivables (after impairment loss recognised) based on invoice date were as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
1–30 days	3,152	1,451
31–60 days	168	104
61–90 days	335	130
More than 90 days	278	999
	3,933	2,684

As of 30 June 2024, trade receivables of approximately HK\$3,933,000 (31 December 2023: approximately HK\$2,684,000) were past due but not considered to be impaired because management closely monitors the credit quality of these customers and is of the view that the customers are of good credit quality and there is no recent history of default regarding the relevant customers.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Financial assets at fair value through profit or loss

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Fair value		
Equity securities listed in Hong Kong	11,201	6,655

Financial assets at fair value through profit or loss, representing equity securities listed in Hong Kong, are all held for trading.

Gain on change in fair value of the equity securities listed in Hong Kong amounted to HK\$2,411,000 (six months ended 30 June 2023: nil) is included in other gains, net (Note 6).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 Contract assets and contract liabilities

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Contract assets		
Design and fit out services	6,533	7,411
	6,533	7,411
Less: Impairment loss on contract assets recognised	(239)	(271)
	6,294	7,140
	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Contract liabilities		
Design and fit out services	3,417	1,050
	3,417	1,050

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16 Trade and other payables

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade payables	550	5,083
Accrued employee benefit expenses	405	353
Accrued interest on amount due to a shareholder	120	56
Accrued interest on borrowings	457	283
Other accruals and payables	10,833	10,867
Lease liabilities	295	579
	12,660	17,221

The carrying amounts of the trade payables approximate their fair values due to their short-term nature.

The ageing analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Within 1 month	54	1,302
1 to 2 months	67	388
2 to 3 months	–	304
Over 3 months	429	3,089
	550	5,083

The trade payables are non-interest bearing and are normally settled on terms of within 90 days.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17 Amount due to a shareholder

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Amount due to Mr. Lui Yu Kin	2,739	1,975

The amount due to the shareholder is unsecured, carries interest at 5% per annum and is repayable on demand.

18 Bonds payable

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Unsecured bonds payable		
– Within one year	–	–
– More than one year, but not exceeding two years	22,780	21,943
	22,780	21,943
Less: Amount shown under current liabilities	–	–
Amount shown under non-current liabilities	22,780	21,943

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 Bonds payable (Continued)

Movements of the bonds payable are as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
At beginning of the period/year	21,943	303
Proceeds received on issue of bonds	–	21,550
Transaction costs incurred for bonds issue	–	(201)
Interest charge for the period/year	837	615
Repayment of bonds during the period/year	–	(300)
Interest paid during the period/year	–	(24)
At end of the period/year	22,780	21,943

During the year ended 31 December 2023, the Company issued unsecured bonds to certain shareholders of the Company and third parties with the aggregate principal amounts of HK\$10,500,000 and HK\$11,050,000 respectively, which gave rise to a total proceed of HK\$10,500,000 and HK\$11,050,000 respectively (before expenses).

During the year ended 31 December 2023, the Company repaid a bond with the principal amount of HK\$300,000 for a consideration of HK\$300,000. During the period ended 30 June 2024, the Company has not issued or repaid any bonds payable. At the end of the reporting period, the bonds payable with the principal amount of HK\$21,550,000 (31 December 2023: HK\$21,550,000) remained outstanding.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18 Bonds payable (Continued)

An analysis of the bonds payable outstanding at 30 June 2024 and 31 December 2023 is as follows:

Date of issue	Aggregate principal amount of bonds HK\$'000	Interest rate per annum	Maturity date
31 July 2023	1,500	5%	30 July 2025
23 August 2023	9,050	8.0%	22 November 2025
28 August 2023	10,500	8.0%	27 November 2025
8 September 2023	500	8.0%	7 December 2025
	21,550		

The effective interest rate of the bonds payable in respect of six months period ended 30 June 2024 and year ended 31 December 2023 ranged from 4.88% to 8.09% per annum.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19 Convertible bond

On 22 May 2023, the Company issued 3% convertible bond (the “Convertible Bond”) due on 21 May 2030 with the aggregate principal amount of HK\$5,000,000 to a third party for a cash consideration of HK\$5,000,000. The Bond can be converted into ordinary shares of the Company at an initial conversion price of HK\$1.80 per share at the maturity date of 21 May 2030. The Company is entitled to redeem all or part of the Bond from the date of issue at the consideration which is equal to the principal amount of the bonds redeemed together with any accrued interest.

Under the terms of the Convertible Bond, unless previously redeemed, converted, or purchased and cancelled, the outstanding Bond will be fully redeemed on 21 May 2030 at 100% of principal amount of the bonds together with accrued interest.

The Convertible Bond contains two components: liability and equity (the conversion right) elements. The fair value of the liability component and equity component at the date of issue was valued by an external valuer. The fair value of the liability component at the date of issue was estimated using the effective interest rate of approximately 12.20% per annum. The fair value of the equity component at the date of issue was valued using the Black-Scholes model.

Movements of the liability component and equity component of the Bond for the period are set out below:

	Liability components HK\$'000	Equity components HK\$'000	Total HK\$'000
Fair value of Bond at date of issue	2,737	2,263	5,000
Transaction costs incurred for issue of Bond	(34)	(29)	(63)
Carrying amount at date of issue	2,703	2,234	4,937
Imputed interest charge for the year	202	–	202
At 31 December 2023 (Audited)	2,905	2,234	5,139
Imputed interest charge for the period	169	–	169
At 30 June 2024 (Unaudited)	3,074	2,234	5,308

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20 Share capital and share premium

Authorised share capital

	Number of ordinary shares	Nominal value of ordinary shares
	'000	HK\$'000
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	1,000,000	100,000

Issued and fully paid share capital and share premium

	Issued and fully paid share capital		
	Number of ordinary shares	Nominal value of ordinary shares	Share premium
	'000	HK\$'000	HK\$'000
As at 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	360,274	36,027	134,917

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions

Equity-settled share option scheme of the Company

2016 Share Option Scheme

The Company's share option scheme was conditionally adopted pursuant to a resolution passed by its sole shareholder on 15 June 2016 (the "2016 Share Option Scheme") and become unconditional on 12 July 2016 for the purpose of attracting and retaining the best available personnel, to provide additional incentive to selected participants, including directors of the Company and eligible employees of the Group to promote the success of the business of the Group. The 2016 Share Option Scheme adopted and became effective on 15 June 2016 for a period of 10 years.

The subscription price of the options granted is the highest of (i) the closing price of the Company's shares on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date offer of grant; (iii) the nominal value of the share.

The maximum number of shares of the Company which may be issued upon exercise of all options granted under the 2016 Share Option Scheme or other schemes adopted by the Company must not in aggregate exceed 30% of its issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange.

The 2016 Share Option Scheme was terminated pursuant to a special resolution passed by its shareholders on 20 October 2023. Upon the termination of the 2016 Share Option Scheme, no further share options would be offered under the 2016 Share Option Scheme but the 2016 Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options. Any outstanding options will continue to be valid and exercisable in accordance with the terms of the 2016 Share Option Scheme.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

2023 Share Option Scheme

On 20 October 2023, a new share option scheme was adopted by the shareholders at the extraordinary general meeting of the Company (the "2023 Share Option Scheme") for the purpose of providing an incentive to selected eligible participants in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group. Eligible participants of the 2023 Share Option Scheme include, among others, (i) any employee (whether full-time or part-time, and including any person who are granted options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group); and (ii) any director (excluding independent non-executive directors of the Company) of any member of the Group.

The 2023 Share Option Scheme has a life of ten years and no options were granted since the date of its adoption.

A summary of the general terms of the 2023 Share Option Scheme are as follows:

(i) Scheme mandate limit

The maximum number of shares which may be allotted and issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme.

(ii) Grant of share options to connected person

The grant of share options to connected person (including director, chief executive or substantial shareholder of the Company or their respective associates) must be approved by the independent non-executive directors of the Company.

(iii) Maximum entitlement of each eligible participant

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares of the Company in issue.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

2023 Share Option Scheme (Continued)

(iv) *Time of exercise of options*

The exercise period of the share options granted is determinable by the directors of the Company, and ends on a date which is no longer than ten years from the date of grant of the share options.

(v) *Acceptance of offer*

The date of grant of share options shall be accepted by the grantee within 10 days from the date of offer and notify the Company that he/she would accept the offer and the terms of the offer.

(vi) *Subscription price for shares*

The exercise price of share options shall be determinable by the directors of the Company at its absolute discretion, but in any event will not be less than the highest of (i) the closing price of the shares on the Stock Exchange as shown in the Stock Exchange daily quotations sheet on the offer date, which must be a business day; and (ii) the average closing price of the shares as shown in the Stock Exchange daily quotation sheets for the five business days immediately preceding the offer date.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

(a) Share Option 2020

On 9 October 2020, certain share options were granted to (and accepted by) the grantees under 2016 Share Option Scheme (the "Share Option 2020"). These share options granted are fully exercisable at the date of acceptance.

Movements in the Share Option 2020 granted and remained outstanding during the six months ended 30 June 2024 and year ended 31 December 2023 are as follows:

	Weighted average exercise price HK\$	Number of share options		
		Employees	Others	Total
		'000	'000	'000
At 1 January 2023, 31 December 2023 and 30 June 2024	0.363	947	–	947

The exercise price and exercise period of the share options outstanding as at 30 June 2024 and 31 December 2023 are as follows:

Number of options '000	Exercise price per share HK\$	Exercise period
947	0.363	9 October 2020 to 8 October 2030

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

(b) Share Option 2023

On 19 January 2023, options to subscribe 22,116,000 shares at the exercise price at HK\$1.10 per share was granted to grantees under 2016 Share Option Scheme, in which options to subscribe 21,930,000 shares were accepted by the grantees and options to subscribe 186,000 shares were cancelled ("Cancelled Share Options"). None of any Cancelled Share Options has been exercised.

Movements in the Share Option 2023 during the six months ended 30 June 2024 and year ended 31 December 2023 are as follows:

	Weighted average exercise price HK\$	Number of share options			Total '000
		Directors	Employees	Others	
		'000	'000	'000	
At 1 January 2023	–	–	–	–	–
Granted during the year ended 31 December 2023	1.100	7,200	14,400	330	21,930
At 31 December 2023 and 30 June 2024	1.100	7,200	14,400	330	21,930

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share option scheme of the Company (Continued)

(b) Share Option 2023 (Continued)

The exercise price and exercise period of the share options outstanding as at 30 June 2024 and 31 December 2023 are as follows:

Number of options	Exercise price per share	Exercise period
'000	HK\$	
330	1.10	19 January 2026 to 18 January 2033
21,600	1.10	19 January 2023 to 18 January 2033

The fair value of the share options to subscribe 21,930,000 shares granted on 19 January 2023 was estimated to be HK\$4,297,000, which was calculated using the binomial option pricing model.

No other feature of the options granted was incorporated into the measurement of fair value.

The Group recognised the total expense of approximately HK\$4,297,000 for the year ended 31 December 2023 in relation to share options granted by the Company.

At the end of the reporting period, the Company had approximately 22,877,000 (31 December 2023: 22,877,000) share options outstanding under the Company share option schemes, which represents approximately 6.35% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the capital structure of the Company as at 30 June 2024, result in the issue of approximately 22,877,000 (31 December 2023: 22,877,000) additional ordinary shares of the Company which would give rise to the total proceeds of approximately HK\$24,467,000 (31 December 2023: HK\$24,467,000).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share award scheme of the Company

On 20 October 2023, the Company has adopted the share award scheme (the "Share Award Scheme"), in which the employees selected by the board of directors of the Company (the "Board") for participation in the Share Award Scheme (the "Eligible Participant") will be entitled to participate and pursuant to which awards will be satisfied by (i) shares of the Company transferred to the Trustee, appointed by the Company, from any person by way of gifts, or (ii) subscribed or purchased by the Trustee by utilizing the funds received by the Trustee.

The purpose of the Share Award Scheme are (i) to recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the Board in accordance with the scheme rules, the Share Award Scheme shall be valid and effective for 10 years from the date of adoption.

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the scheme rules and the trust deed entered into between the Company and the Trustee (the "Trust Deed"). The Trustee shall hold the shares of the Company and the other trust funds (the "Trust Fund") in accordance with the terms of the trust deed (the "Trust Deed").

Pursuant to the term of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any excluded employee) to be a Eligible Participant and grant an award to such Eligible Participant in accordance with the scheme rules. No award shall be granted by the Board to Eligible Participant and no instructions to acquire any shares shall be given by the Board to the Trustee pursuant to the scheme rules where dealings in the shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Where any grant of awarded shares is proposed to be made to any Eligible Participant who is a director (including an independent non-executive director), such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the remuneration committee of the Company, by all of the other members of the remuneration committee of the Company.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Share-based Payment Transactions (Continued)

Equity-settled share award scheme of the Company (Continued)

In the event that the grant of an award to any connected person of the Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company shall comply with the applicable reporting, announcement or independent shareholders' approval requirements.

Subject to the scheme rules, the Board shall determine from time to time such vesting criteria and conditions or periods for an award to be vested. Prior to the vesting date, any award made hereunder shall be personal to the Eligible Participant to whom it is made and shall not be assignable and no Eligible Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the awarded shares referable to him/her pursuant to such award.

In the event that prior to or on the vesting date, a Eligible Participant is found to be an excluded employee or is deemed to cease to be an employee, the relevant award made to such Selected Employee shall automatically lapse forthwith and the relevant awarded shares shall not vest on the relevant vesting date but shall remain part of the Trust Fund.

No awarded shares have been granted by the Company during the six months ended 30 June 2024 and the year ended 31 December 2023 since the date of adoption of the Share Award Scheme of 20 October 2023.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Acquisition of subsidiaries

Acquisitions during the six months ended 30 June 2024

	HK\$'000
Net cash (outflow)/inflow arising from acquisition of	
– More Money Credit Limited (Note (a))	(396)
– Sing Yu Design Engineering Limited (Note (b))	69
Net cash outflow from acquisition of subsidiaries	(327)

Notes:

(a) *Acquisition of More Money Credit Limited*

On 14 December 2023, the Company entered into a sale and purchase agreement with a third party, under which the Company has agreed to acquire 100% equity interest in More Money Credit Limited (“More Money”) for an aggregate cash consideration of HK\$400,000. Completion of the acquisition took place on 4 January 2024.

More Money is principally engaged in money lending business in Hong Kong. The acquisition of More Money could enable the Group to explore the potential business opportunity to expand the income stream of the Group in future.

The acquisition of More Money has been accounted for as acquisition of business using the acquisition method.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Acquisition of subsidiaries (Continued)

Acquisitions during the six months ended 30 June 2024 (Continued)

Notes: (Continued)

(a) *Acquisition of More Money Credit Limited (Continued)*

The effect of the acquisition is summarised as follows:

	HK\$'000
Cash consideration paid	400

The acquisition related costs are insignificant and are included in other expenses.

	HK\$'000
Assets acquired and liabilities recognised at the date of acquisition	
Property, plant and equipment	102
Cash and cash equivalents	4
Trade and other payables	(12)
Total identifiable net assets acquired	94

Goodwill arising on acquisition

	HK\$'000
Consideration transferred	400
Less: recognised amounts of net assets acquired	(94)
Goodwill arising on acquisition	306

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Acquisition of subsidiaries (Continued)

Acquisitions during the six months ended 30 June 2024 (Continued)

Notes: (Continued)

(a) *Acquisition of More Money Credit Limited (Continued)*

An analysis of cash flows in respect of the acquisition of More Money is as follows:

	HK\$'000
Cash consideration paid	(400)
Cash and cash equivalents acquired	4
Net outflow of cash and cash equivalents	(396)

Had the acquisition been completed on 1 January 2024, revenue for the six months ended 30 June 2024 of the Group would have been HK\$15,046,000 and loss for the period of the Group would have been HK\$5,256,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would be achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of those results.

(b) *Acquisition of Sing Yu Design Engineering Limited*

On 19 March 2024, a wholly-owned subsidiary of the Company, Easy United Holdings Limited ("Easy United"), entered into a sale and purchase agreement with a third party, under which Easy United has agreed to acquire 100% equity interest in Sing Yu Design Engineering Limited ("Sing Yu") for an aggregate cash consideration of HK\$40,000. Completion of the acquisition took place on 19 March 2024.

Sing Yu is principally engaged in provision of interior design and fit out solutions services in Hong Kong. The acquisition of Sing Yu would allow the Group to expand its interior design and fit-out solution business.

The acquisition of Sing Yu has been accounted for as acquisition of business using the acquisition method.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Acquisition of subsidiaries (Continued)

Acquisitions during the six months ended 30 June 2024 (Continued)

Notes: (Continued)

(b) *Acquisition of Sing Yu Design Engineering Limited (Continued)*

The effect of the acquisition is summarised as follows:

	HK\$'000
Cash consideration paid	40

The acquisition related costs are insignificant and are included in other expenses.

	HK\$'000
Assets acquired and liabilities recognised at the date of acquisition	
Cash and cash equivalents	109
Trade and other payables	(74)
Total identifiable net assets acquired	35

Goodwill arising on acquisition

	HK\$'000
Consideration transferred	40
Less: recognised amounts of net assets acquired	(35)
Goodwill arising on acquisition	5

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Acquisition of subsidiaries (Continued)

Acquisitions during the six months ended 30 June 2024 (Continued)

Notes: (Continued)

(b) *Acquisition of Sing Yu Design Engineering Limited (Continued)*

An analysis of cash flows in respect of the acquisition of Sing Yu is as follows:

	HK\$'000
Cash consideration paid	(40)
Cash and cash equivalents acquired	109
Net inflow of cash and cash equivalents	69

Had the acquisition been completed on 1 January 2024, revenue for the six months ended 30 June 2024 of the Group would have been HK\$15,046,000 and loss for the period of the Group would have been HK\$5,256,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would be achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of those results.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Disposal of a subsidiary

Disposal during the six months ended 30 June 2024

On 30 June 2024, the Company entered into a sale and purchase agreement with a third party to dispose of 100% equity interest in Action Point International Limited ("Action Point"). Action Point is an investment holding company and holds 35% equity interest in LKD Group Holding Limited ("LKD"), which is principally engaged in provision of food catering services. Pursuant to the sale and purchase agreement, the cash consideration for the disposal amounted to HK\$600,000, which shall be paid within 12 months after the completion. The completion of disposal of Action Point took place on 30 June 2024 and the Group had not retained equity interest in Action Point after the disposal. The proceeds from disposal of Action Point of HK\$600,000 were not yet received by the Group up to the end of the reporting period and are included in other receivables.

An analysis of assets and liabilities over which control was lost:

	HK\$000
Interest in an associate	664
Amount due to the Company	(4,518)
Net liabilities disposed of	(3,854)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Disposal of a subsidiary (Continued)

Disposal during the six months ended 30 June 2024 (Continued)

Loss on disposal of subsidiary

	HK\$000
Cash consideration receivable	600
Impairment loss recognised on amounts due by the subsidiary to the Company	(4,518)
Net liabilities disposed of	3,854
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Loss on disposal of a subsidiary (Note 6)	(64)

An analysis of cash flows from the disposal of a subsidiary is as follows:

	HK\$000
Cash consideration for disposal received	–
Cash and cash equivalents disposed of	–
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Net cash inflows from disposal of subsidiary	–

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Disposal of a subsidiary (Continued)

Disposal during the six months ended 30 June 2023

On 13 March 2023, the Company disposed of 100% equity interest in a subsidiary, Legacy Infinity Global Asset Management Limited (“Legacy Infinity”), for an aggregate cash consideration approximately HK\$639,000. Legacy Infinity is principally engaged in the provision of insurance brokerage.

An analysis of assets and liabilities over which control was lost:

	HK\$'000
Cash and bank balances	89
Net assets disposed of	89

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Disposal of a subsidiary (Continued)

Disposal during the six months ended 30 June 2023 (Continued)

Gain on disposal of a subsidiary

	HK\$'000
Cash consideration	639
Less: costs in connection with the disposal	(102)
Net assets disposed of	(89)
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Gain on disposal of a subsidiary (Note 6)	448

An analysis of cash flows from the disposal of a subsidiary is as follows:

	HK\$'000
Net cash consideration received	537
Cash and cash equivalents disposed of	(89)
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Net cash flows from disposal of subsidiary	448

24 Contingent liabilities

Certain customers of design and fit out contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

As at 30 June 2024, the Group had paid for certain refundable deposits with the aggregate amount of HK\$1,238,000 (year ended 31 December 2023: HK\$179,000) to an insurance company for surety bonds issued in favour of certain customers by the insurance company amounted to approximately HK\$1,877,000 (year ended 31 December 2023: HK\$299,000) which remained outstanding at the end of the reporting period. Where the Group fails to provide satisfactory performance to the customers, the customers may demand the insurance company to pay the sum stipulated in the surety bond and the Group may then become liable to compensate the insurance company accordingly.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25 Related-party transactions

- (a) In addition to transactions and balances with certain related parties disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Management fee income from an former associate	997	–
Loan interest expense to a director	41	–
Loan interest expense to a shareholder (Note 17)	65	15
Bonds interest expenses to shareholders (Note 18)	419	–
	1,522	15

- (b) Key management compensation
Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Basic salaries and bonus	2,623	2,496
Pension costs – defined contribution plan	110	96
	2,733	2,592

SUPPLEMENTARY INFORMATION

Principal Risks and Uncertainties

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties are summarised below:

- Failure to obtain new contracts could materially affect our financial performance;
- We rely on our management team in operating our business;
- We rely on our ability to successfully meet customers' and end users' preference by delivering our interior design solutions in a timely manner;
- We rely on the performance of our project management staff; and
- We rely on our suppliers to complete certain projects and are subject to risk arising from the non-compliance, late performance or poor performance by such suppliers. Also, there is no assurance that these suppliers will be able to continue to provide services to us at fees acceptable to us.

Changes of Directors' Information under Rule 17.50A(1) of the GEM Listing Rules

The Company is not aware of any change in the directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of the 2023 annual report.

Share Option Scheme

Details of the share option scheme of the Group are set out in Note 21 to the unaudited interim condensed consolidated financial statement.

SUPPLEMENTARY INFORMATION (CONTINUED)

Directors' and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporation

As at 30 June 2024, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at 30 June 2024 (%)
Chan Hung Kai	Beneficial owner	18,941,200	3,600,000	22,541,200	6.26
	Interest of spouse	39,600 (Note 1)	–	39,600	0.01
Chung Kar Ho Carol	Beneficial Owner	3,468,000	–	3,468,000	0.96

Note:

- (1) 39,600 shares are owned by Ms. Sze Yee Fun Louisa, who is the spouse of Mr. Chan Hung Kai.

SUPPLEMENTARY INFORMATION (CONTINUED)

Saved as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

Substantial shareholder's Interests and/or Short Position in Shares and Underlying Shares of the Company

So far as the Directors are aware, as at 30 June 2024, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations" above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

Long Positions in Shares and Underlying Shares of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares	Percentage of the Company's issue share capital as at 30 June 2024 (%)
Lui Yu Kin	Beneficial owner	80,104,000	22.23

SUPPLEMENTARY INFORMATION (CONTINUED)

Saved as disclosed above, as at 30 June 2024, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Directors’ Interests in Competing Business

During the six months ended 30 June 2024, none of the directors, or any of their respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

Code on Corporate Governance Practices

During the six months ended 30 June 2024, the Board considers that the Company has complied with all the corporate governance codes (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

Compliance of Code of Conduct for Directors’ Securities Transactions

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 confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by our Company during the six months ended 30 June 2024.

Purchase, Sale or Redemption of Listed Securities of the Company

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

SUPPLEMENTARY INFORMATION (CONTINUED)

Audit Committee

The Company established an audit committee on 15 June 2016 with written terms of reference (as adopted and amended on 31 December 2018) in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Mr. Tse Chi Shing (Chairman), Mr. Tse Wai Hei and Mr. Tam Chak Chi. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

The audit committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing and financial reporting matters. The audit committee has discussed and reviewed the unaudited financial information and the interim report for the six months ended 30 June 2024.

As at the date of this report, the executive Directors are Mr. Chan Hung Kai, Mr. Chung Kar Ho Carol and Mr. Kwan Tek Sian; and the independent non-executive Directors are Mr. Tse Chi Shing, Mr. Tse Wai Hei and Mr. Tam Chak Chi.