

# CASABLANCA

GROUP LIMITED

(INCORPORATED IN THE  
CAYMAN ISLANDS WITH LIMITED LIABILITY)  
STOCK CODE: 2223

INTERIM REPORT 2021



CASABLANCA®

Casa Calvin

CASA-V

Casatino

Dolce Signo®

FORCETECH

C2

VOSSEN  
A Touch of Excess

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### *About Casablanca*

Casablanca Group Limited, since its establishment in 1993 in Hong Kong, primarily engages in designing, manufacturing, distribution and retailing of bedding products with a focus on the high-end and premium markets under its proprietary “Casa Calvin”, “Casablanca” and “CASA-V” brands. The Group’s products include three main categories: bed linens, duvets and pillows, and home accessories. The Group is one of the leading branded bedding products companies in the PRC and Hong Kong.

# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Casablanca Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2021 (the “**Period**” or the “**Review Period**”).

## Overview

In the first half of 2021, the new COVID-19 variants emerged in Europe and America. Nevertheless, there were no serious outbreaks in the Greater China Region (for the purposes of this report, comprising the People’s Republic of China (“**PRC**” or “**Mainland China**”), Hong Kong and Macau). During the Period, economy in the region began to recover. However, improvement in consumer confidence was not notable. Although the Group’s overall points of sales (“**POS**”) in Mainland China had a year-on-year decrease by 15, the Group’s sales revenue from Mainland China still achieved a satisfactory year-on-year increase by 15.7% as a result of the stable pandemic situation in the region during the Review Period. With regard to Hong Kong, in response to the COVID-19 pandemic being under control, the Hong Kong government has gradually relaxed restrictions on restaurants and public areas. In addition, shopping malls and department stores have launched a variety of discounts to promote consumption during the Period. Although the customer flow has gradually been picking up, the consumption sentiment is yet to be improved. During the Review Period, the Group’s overall sales revenue from Hong Kong and Macau only recorded a slight year-on-year increase by 1.8%.

## Business Review

There was no material change in the Group’s operational and segmental information following the publication of the annual report for the year ended 31 December 2020. During the Review Period, the total sales revenue of the Group amounted to HK\$142.7 million, increased by 5.0% compared to the HK\$135.8 million for the corresponding period of 2020. Profit attributable to owners of the Company for the Review Period was HK\$1.6 million as compared to the loss of HK\$2.2 million for the corresponding period of 2020. The turnaround from loss to profit during the Review Period was mainly due to (i) the COVID-19 pandemic in Hong Kong and Mainland China during the Period was relatively under control, resulting in an improvement in the market conditions, which led to an increase in the sales of the Group during the Period; and (ii) the decrease in provisions for impairment losses on assets.

## Adjusted Sales Channels

As of 30 June 2021, the Group had a total of 196 POS (31 December 2020: 197), among which 104 were self-operated POS and 92 were distributor-operated POS, covering a total of 47 cities in the Greater China Region. Benefitting from the stable pandemic situation in Mainland China and Hong Kong during the Review Period, both the Group’s self-operated retail sales and sales to distributors have recorded year-on-year growths, especially sales to distributors with an increase by 55.1%.

During the Review Period, we updated the webpage design of our official online stores, and strengthened our cooperation with online shopping platforms and increased the frequency of product mix adjustment and, at the same time, optimised the delivery logistics after use of radio frequency identification (the “RFID”) technology to ensure timely delivery of satisfactory products to the consumers. For the six months ended 30 June 2021, the e-sales of the Group slightly slowed down year-on-year due to the fact that many consumers in Mainland China and Hong Kong switched from shopping in physical stores to shopping in e-commerce platforms when both Mainland China and Hong Kong were severely affected by the pandemic in the corresponding period last year, resulting in a significant increase and a higher base value in e-sales in the corresponding period last year.

During the Review Period, the Group offered items to various commercial customers in Hong Kong as free gifts and as part of point redemption schemes. These customers included electrical appliance chain stores, public utility companies, telecommunication network providers, banks, infant and health food brands and electrical appliance brands, and the Group also provided original equipment manufacturing (OEM) products for various customers.

## **Enhanced Product Mix**

The Group is dedicated to build the image of “Healthy Sleeping Expert”, and has continued its research and development of products that embody green concepts and health improving functions, all in a bid to provide consumers with comfortable bedding products. During the Review Period, the Group proudly presented the “CoV ZAP Antiviral Series” products, which have passed a number of international and national testing certifications, including ISO 18184:2019 textile antiviral activity test, Oeko-Tex Standard 100 international harmless substance certification, European Union REACH chemical safety assessment, national antibacterial performance testing and national textile product safety certification, and have proved that it can resist human coronavirus, H1N1 and H3N2 influenza viruses. It has a 99% antibacterial rate, effectively inhibiting harmful bacteria such as Staphylococcus aureus, Klebsiella pneumoniae, E. coli, and Candida albicans.

Cartoon products, which grasp consumers’ preferences and are exquisitely designed, are one of the key businesses of the Group. During the Review Period, we launched our own design of cartoon bedding products featuring cats and dogs, which have received enthusiastic support, especially for consumers who have pets at home. In addition, the Group owns bedding product licences for a number of popular cartoons, and launched new licenced bedding products of various cartoons, including “Kakao Friends”, “BT21”, “Chibi Maruko Chan”, “Pokemon”, “Mr. Men Little Miss”, “B.Duck” and “PEANUTS”, during the Review Period. In the first half of 2021, we provided more cartoon product options for consumers by the addition of “LuLu the Piggy” and “Crayon Shin-chan” into our authorised cartoon portfolio.

# MANAGEMENT DISCUSSION AND ANALYSIS

Having regard to the market competition and low gross profit, the Group has put a halt on its “Fast Fashion” project to channel more resources into developing the business of the “Deep Sleep System Mattress”. We have mattress production facilities and professional technicians already in place in the Casablanca Industrial Park. At preliminary stage, the “Deep Sleep System Mattress” business targets Guangdong, Guangxi and Fujian provinces as its core development markets.

## Strengthened Brand Leadership

To reward customers for their supports to the brands of the Group and captivate more consumers, we launched a new membership program, namely “Casa Club”, during the Review Period to provide better privileges to our loyal customers. We have been actively enhancing consumer engagement on Facebook, through which we kept ourselves abreast of the market trend and promoted the Group’s brand philosophy and products by creative short videos alongside with the sharing of bedding care knowledge. During the Period, as part of promotion, we set up Pop-up Stores under different themes of authorised cartoons in shopping malls and department stores, with photo-taking area featuring large cartoon characters and limited souvenirs on site to attract consumer patronage.

The year of 2021 marks the 28th anniversary of the establishment of the Group’s brand. In June, we launched a new television advertisement under the theme of “The Art of Textiles”, demonstrating the Group’s 28 years of pursuit of fabric aesthetics and quality sleep. During the Review Period, the representative of the Group was invited to join as a member of the “Design, Marketing and Licensing Services Advisory Committee” by the Hong Kong Trade Development Council, recognising the Group’s extensive experience in authorised brand management. Besides, the Group received the “China Licensing Awards” jointly awarded by the International Licensing Industry Merchandisers’ Association and the Licensing Expo Shanghai.

## Prospects

In the second half of 2021, the market expects the COVID-19 pandemic will soon be under effective containment following the increasing COVID-19 vaccination rates around the world, helping economies across the globe to get back on track. However, the economic outlook of the Greater China Region remains relatively uncertain due to the rapid emergence of new COVID-19 variants alongside extreme weather events occurring from time to time. Leveraging its diversified product mix, the Group will strive to capture the opportunities arising from the traditional peak seasons for bedding product industry in the second half of a year, and strive to seize opportunities from sales channels such as e-commerce and commercial customers, in the hope to foster synergies for growth in both online and offline businesses.

## Mainland China

In the second half of 2021, in terms of self-operated physical retail business, the Group will promote its brands in various places through roadshows and large-scale promotional campaigns to seize the sales opportunities in the peak season. Beside active development of gifts and group purchase sales for commercial customers, the Group will also devote much effort to expand its e-sales business by enriching product portfolio, optimising photo display of products, and exploring new online cooperation channels. On the product front, we will continue to launch products under CASA-V brand which offer 5A features and highlight the function of air purification. At the same time, we will expand the product portfolio of “CoV ZAP Antiviral Series” under the CASABLANCA brand. The Group has been actively developing the mattress business since the second quarter of 2021 with more than 10 mattress products being launched to the market. To better accommodate different needs of consumers, more new mattresses are planned to be launched in the second half of 2021.

In response to its growing demand on product research and development and production capacity, the Group commenced construction on phase II of the Casablanca Industrial Park in Huizhou in December 2020, so as to provide more space for production facilities, a research and development centre, offices, showrooms, training rooms and conference rooms. Phase II construction is expected to be completed in about one year’s time from the commencement of construction. Currently, the construction progress advances as scheduled.

## Hong Kong

We are cautiously optimistic about the business in the second half of 2021 as the Group expects that the Hong Kong government’s issuance of electronic consumption vouchers to the public in the second half of 2021 will help boost consumer sentiment among citizens and the second half of a year is the traditional peak season for the sales of department stores across Hong Kong. The Group will continue to strengthen its promotional efforts on cartoon products. Apart from the consignment of authorised products in the booth of Crayon Shin-chan’s licensor at the Ani-Com & Games Hong Kong 2021 in July, we will also open Pop-up Stores with different cartoon themes in multiple large shopping malls during the summer vacation. It is expected that the sales revenue from each promotional campaign will be benefitted from the holiday consumption boom and the effect of the government’s electronic consumption vouchers.

In addition to the launch of new television advertisement under the theme of “The Art of Textiles” and the product sponsorship for a series of television game programs in June, the Group’s brand promotional efforts have proven fruitful with the product sponsorship and advertising placement for a popular television drama, “Ossan’s Love”, in July, which successfully attracted numerous consumer inquiries and purchases of the bedding products used by the leading actors in the drama.

# MANAGEMENT DISCUSSION AND ANALYSIS

Adhering to the design concept of “Contemporary, Innovative and Functional”, the Group will continue its endeavour to provide consumers with quality bedding products that are fashionably designed and reasonably priced, and home accessories that are trendy yet practical. It will also continue to broaden the revenue streams and enhance its brand value to bring satisfactory returns to the shareholders of the Company (the “**Shareholders**”) in the long term.

## FINANCIAL REVIEW

### Revenue

During the Period, the Group achieved revenue of HK\$142.7 million (2020: HK\$135.8 million), which increased by 5.0% as compared to the corresponding period last year. The increase in overall revenue was primarily due to the increase in sales of the Group for the Period as the market condition had improved due to the COVID-19 pandemic being relatively under control in Hong Kong and Mainland China during the Period.

Self-operated retail sales during the Period amounted to HK\$103.9 million (2020: HK\$98.5 million), accounted for approximately 72.8% (2020: 72.5%) of the total revenue, representing an increase of 5.5% as compared to the corresponding period last year despite the number of self-operated POS recorded a year-on-year decrease by 16 due to the decrease of COVID-19 infection cases in Hong Kong and Mainland China in the Period when compared to early 2020. During the Period, sales to distributors increased by 55.1% to HK\$13.2 million (2020: HK\$8.5 million) for the same reason due to the better control of COVID-19 pandemic in Mainland China. With less sales to wholesale customers as compared to the corresponding period last year, sales to others during the Period amounted to HK\$11.5 million (2020: HK\$14.0 million) representing a decrease of 18.2%. The e-sales during the Period slightly decreased by 4.9% to HK\$14.1 million (2020: HK\$14.8 million).

In terms of brands, sales of our proprietary brands, which accounted for approximately 83.3% (2020: 83.3%) of the Group’s revenue, increased by 5.0% to HK\$118.9 million (2020: HK\$113.2 million) due to the rebound of retail sales and sales to distributors during the Period. The sales of our licensed and authorised brands for the Period increased by 5.1% to HK\$23.8 million (2020: HK\$22.7 million) as more marketing activities had been held for licensed and authorised brands products in Hong Kong for the Period.

In terms of products, sales of bed linens during the Period were HK\$79.5 million (2020: HK\$78.5 million). During the Period, sales of duvets and pillows were HK\$55.1 million (2020: HK\$50.5 million) and sales of other home accessories were HK\$8.1 million (2020: HK\$6.8 million). The reason for increases in sales of duvets and pillows by 9.0% and other home accessories by 18.2% during the Period was due to the improved sales in Mainland China as compared to the corresponding period last year.

In terms of regions, revenues during the Period were HK\$106.5 million (2020: HK\$104.6 million) from Hong Kong and Macau and HK\$36.2 million (2020: HK\$31.2 million) from Mainland China. Both increases in revenue from Hong Kong and Macau by 1.8% and Mainland China by 15.7% were primarily due to the decrease of COVID-19 infection cases in Hong Kong and Mainland China during the Period when compared to the corresponding period last year.

## **Gross Profit and Gross Profit Margin**

During the Period, the Group achieved gross profit of HK\$89.3 million (2020: HK\$84.4 million), which increased by 5.8% as compared to the corresponding period last year. The overall gross profit margin for the Period was 62.6% which was at a similar level as compared to that of 62.1% for the corresponding period last year.

## **Other Income**

Other income for the Period amounted to HK\$0.7 million (2020: HK\$4.8 million), mainly representing dividend income of HK\$0.4 million (2020: nil) from financial assets, subsidies of HK\$0.1 million (2020: HK\$2.8 million) from the Government of Hong Kong Special Administrative Region and other miscellaneous income of HK\$0.2 million (2020: HK\$2.0 million).

## **Other Losses**

Other losses for the Period amounted to HK\$0.3 million (2020: HK\$3.5 million), mainly representing the impairment losses on assets of HK\$0.5 million (2020: HK\$1.6 million), the loss allowance on trade and other receivables of HK\$0.1 million (2020: HK\$0.7 million) offsetting against the net exchange gains of HK\$0.3 million (2020 net exchange losses: HK\$0.8 million).

## **Expenses**

Selling and distribution costs for the Period slightly increased by 2.5% to HK\$66.6 million from HK\$64.9 million for the corresponding period last year. The increase in selling and distribution costs was primarily due to more advertisements in Hong Kong and the increase in computer expenses for RFID system during the Period.

Administrative expenses for the Period slightly decreased by 5.6% to HK\$20.3 million as compared with HK\$21.5 million for the corresponding period last year. The decrease in administrative expenses was primarily attributable to the decreases in depreciation and legal and professional fees during the Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit for the Period

The Group's profit for the Period attributable to owners of the Company amounted to HK\$1.6 million (2020 loss: HK\$2.2 million). Reasons for the turnaround from loss to profit were primarily attributable to (i) the increase in sales of the Group for the Period as the market condition had improved due to the COVID-19 pandemic being relatively under control in Hong Kong and Mainland China during the Period; and (ii) the decrease in provisions for impairment losses on assets.

EBITDA represents gross profit less selling and distribution costs and administrative expenses, adding back depreciation. The Group's EBITDA for the Period increased to HK\$15.8 million from HK\$12.4 million for the corresponding period last year, representing an increase of 28.0%. This was mainly attributable to the increase in total sales for the Period.

## Liquidity, Financial Resources and Capital Structure

During the Period, the Group adhered to the principle of prudent financial management in order to minimise financial and operational risks. The Group financed its operations with internally generated cash flows. The financial position of the Group was healthy with net cash at 30 June 2021.

	<b>As at 30 June 2021 HK\$'000</b>	As at 31 December 2020 HK\$'000
Total bank borrowings	–	2,375
Pledged bank deposit and bank balance and cash	<b>154,659</b>	194,629
Net cash	<b>154,659</b>	192,254
Total assets	<b>473,301</b>	510,573
Total liabilities	<b>70,415</b>	85,780
Total equity	<b>402,886</b>	424,793
Current ratio	<b>4.6</b>	4.3
Gearing ratio	–	0.6%

The decrease in bank balances and cash of the Group at 30 June 2021 was primarily due to the 2020 final dividend payment and the payments for construction of phase II of the Casablanca Industrial Park in Huizhou, the PRC during the Period.

The Group had no bank borrowings at 30 June 2021. At 31 December 2020, the bank borrowings of the Group were HK\$2.4 million being variable-rated borrowings with effective interest rate at 5.74% and repayable not more than one year.

As at 30 June 2021, the pledged bank deposit of the Group was approximately HK\$6.1 million (31 December 2020: HK\$6.2 million), which was denominated in HKD and RMB, and the bank balances and cash of the Group were approximately HK\$148.6 million (31 December 2020: HK\$188.4 million) which were denominated mainly in HKD and RMB except for about 3.2% (31 December 2020: 2.6%) in United States dollars and Euro.

## Foreign Exchange Exposure

The Group carries on its business mainly in Hong Kong and the PRC. The Group is exposed to foreign exchange risk principally in RMB which may affect the Group's performance. Although the fluctuation of RMB against HKD was not significant during the Period, the management is aware of the possible exchange rate exposure on RMB and will closely monitor its impact on the performance of the Group to assess if any hedging arrangement is necessary. The Group currently does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business.

## Pledge of Assets

As at 30 June 2021, no leasehold land and buildings were pledged to banks as securities for banking facilities granted to the Group (31 December 2020: nil). The Group had pledged only its fixed deposits with an aggregate value of HK\$6.1 million (31 December 2020: HK\$6.2 million) to certain banks in Hong Kong and Mainland China to secure banking facilities granted to the Group at 30 June 2021.

## Contingent Liabilities

The Company and two of its subsidiaries in Hong Kong are defendants in a litigation involving an alleged copyright infringement in Hong Kong. Based on legal advice, it is difficult in the usual course of such litigation to predict the exposure to the Group at this early stage. The pre-trial review by the High Court has been scheduled for 2 March 2023 and the trial has been scheduled to commence on 3 May 2023 with a period of 15 days reserved.

Based on legal advice on preliminary assessment, the exposure in the event of failure to defend the case is estimated not to be material to the Group, assuming that there is no damage for loss of goodwill caused to the plaintiff or its brand names. The Board considers that the alleged claim would not bring any material adverse effect to the business operation and financial position of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures for the Period.

## Significant Investments

As at 30 June 2021, the Group did not hold any significant investments.

## Future Plans for Material Investments or Capital Assets

The Group is actively identifying and exploring suitable investments with potential and synergy effect to its existing businesses. Only potential investments, which are in the interests of the Company and the Shareholders as a whole, will be considered. To cope with its business development and expansion, the Group will also consider to acquire properties for its own use when necessary. For medium to long-term investment purposes, the Company may consider investing in shares of companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and investment properties to strive for better return in the medium to long-term by utilizing surplus cash on hand.

As at 30 June 2021, the Company had total investments of HK\$7.2 million (31 December 2020: HK\$5.2 million) in shares of companies listed on the Stock Exchange which were held for medium to long term investment purposes and represented not more than 5% of the Group’s total assets. On 8 July 2021, the Group made further investment of about HK\$1.4 million in shares of Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318) purchased on the Stock Exchange and intended to hold the investment for a medium to long-term.

The Group entered into a construction agreement on 30 October 2020 and a supplemental agreement on 16 April 2021 (collectively the “**Construction Agreements**”) with an independent third party contractor to construct a complex with four floors and a total construction area of 24,959.4 square metres for phase II of the Casablanca Industrial Park in Huizhou, the PRC at a total consideration of RMB48.6 million (equivalent to approximately HK\$58.4 million). References are made to the announcements of the Company dated 16 April 2021 and 30 October 2020 and the circular of the Company dated 15 December 2020 in relation to the Construction Agreements. Up to 30 June 2021, the Company had made progress payments of about RMB21.1 million (equivalent to approximately HK\$25.4 million) for the Construction Agreements under which the construction was on schedule and is expected to be completed not later than December 2021 as expected.

Other than those disclosed above, there was no plan authorised by the Board for material investments or additions of capital assets at the date of this report.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Interim Dividend

On 27 August 2021, the Board has declared an interim dividend of HK\$0.05 per ordinary share for the six months ended 30 June 2021 (six months ended 30 June 2020: nil). The interim dividend will be payable on Monday, 27 September 2021 to the Shareholders whose names appeared on the register of members of the Company on Thursday, 16 September 2021.

## Closure of Register of Members

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 14 September 2021 to Thursday, 16 September 2021 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer documents accompanying with the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. (Hong Kong time) on Monday, 13 September 2021.

## Employee and Remuneration Policy

As at 30 June 2021 the employee headcount of the Group was 525 (2020: 593) and the total staff costs, including Directors' remuneration, amounted to HK\$43.3 million (2020: HK\$42.5 million). The decrease in employee headcount of the Group was primarily due to the close-down of some of self-operated POS in Mainland China with less profitability in the second half of 2020. Despite the decrease in employee headcount, the slight increase in total staff costs was mainly due to the inability to obtain exemptions on social security funds in Mainland China for the Period as compared to the corresponding period last year.

The Group offers competitive remuneration packages which are commensurate with industry practice and provides various fringe benefits to employees including staff quarters, trainings, medical benefits, insurance coverage, provident funds, bonuses and a share option scheme.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## **Purchase, Sale or Redemption of Listed Securities of the Company**

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

## **Share Option Scheme**

The Group adopted the Share Option Scheme which was approved by the sole Shareholder's resolution passed on 22 October 2012. The Group granted share options to Directors and employees on 17 April 2018 to subscribe for a total of 5,250,000 Shares with the exercise price of HK\$1.18 per Share and the exercise period from 17 April 2018 to 16 April 2021 and all of which lapsed on 17 April 2021.

The Group further granted share options to Directors and employees on 2 July 2020 to subscribe for a total of 5,250,000 Shares with the exercise price of HK\$0.48 per Share and the exercise period from 2 July 2020 to 1 July 2023. Details of the grant of share options on 2 July 2020 are set out in the announcement of the Company dated 2 July 2020. Based on the valuation report of an independent valuer, the aggregate estimated fair value of the options granted on 2 July 2020 under the Share Option Scheme was approximately HK\$445,000, of which HK\$417,000 and HK\$28,000 represented the estimated fair value of the share options granted to Directors and employees respectively. As at 30 June 2021, there were share options under the Share Option Scheme remained available for issue to subscribe for a total of 3,906,000 Shares.

Particulars of the Company's Share Option Scheme are set out in note 17 to the condensed consolidated financial statements.

The following table disclosed movements in the Company's share options during the Period:

	Date of grant	Exercise period (Note 1 & 2)	Exercise price (HK\$)	Number of options at 1.1.2021	Movements during the period				Number of options at 30.6.2021
					Granted	Cancelled	Exercised	Lapsed	
<b>Directors and Chief Executive</b>									
Mr. Cheng Sze Kin	17.4.2018	17.4.2018 – 16.4.2021	1.18	1,400,000	-	-	-	(1,400,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	1,400,000	-	-	-	-	1,400,000
				2,800,000	-	-	-	(1,400,000)	1,400,000
Mr. Cheng Sze Tsz	17.4.2018	17.4.2018 – 16.4.2021	1.18	1,400,000	-	-	-	(1,400,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	1,400,000	-	-	-	-	1,400,000
				2,800,000	-	-	-	(1,400,000)	1,400,000
Ms. Wong Pik Hung	17.4.2018	17.4.2018 – 16.4.2021	1.18	1,400,000	-	-	-	(1,400,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	1,400,000	-	-	-	-	1,400,000
				2,800,000	-	-	-	(1,400,000)	1,400,000
Mr. Lo Siu Leung	17.4.2018	17.4.2018 – 16.4.2021	1.18	250,000	-	-	-	(250,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	250,000	-	-	-	-	250,000
				500,000	-	-	-	(250,000)	250,000
Dr. Cheung Wah Keung	17.4.2018	17.4.2018 – 16.4.2021	1.18	250,000	-	-	-	(250,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	250,000	-	-	-	-	250,000
				500,000	-	-	-	(250,000)	250,000
Mr. Chow On Wa	17.4.2018	17.4.2018 – 16.4.2021	1.18	250,000	-	-	-	(250,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	250,000	-	-	-	-	250,000
				500,000	-	-	-	(250,000)	250,000
<b>Total Directors and Chief Executive</b>				9,900,000	-	-	-	(4,950,000)	4,950,000
<b>Employees</b>	17.4.2018	17.4.2018 – 16.4.2021	1.18	300,000	-	-	-	(300,000)	-
	2.7.2020	2.7.2020 – 1.7.2023	0.48	300,000	-	-	-	-	300,000
<b>Total Employees</b>				600,000	-	-	-	(300,000)	300,000
<b>Total</b>				10,500,000	-	-	-	(5,250,000)	5,250,000

Notes:

- The options, granted and vested on 17 April 2018, are exercisable from 17 April 2018 to 16 April 2021 (both days inclusive).
- The options, granted and vested on 2 July 2020, are exercisable from 2 July 2020 to 1 July 2023 (both days inclusive).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Directors' and Chief Executive's Interests in Shares

As at 30 June 2021, the interests and short positions of the Directors and the chief executive and their associates in the Shares, underlying Shares and debentures and share options of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance), as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Model Code"), were as follows:

### Long positions

#### (a) Ordinary shares of HK\$0.1 each of the Company (the "Share")

Name of Director	Nature of interest	Number of shares held/interested	Percentage of the issued share capital of the Company
Mr. Cheng Sze Kin	Beneficial interest	4,500,000	1.7%
	Spouse interest	3,375,000	1.3%
	Interest in a controlled corporation <sup>(Note 1)</sup>	150,000,000	58.2%
		157,875,000	61.2%
Mr. Cheng Sze Tsan	Beneficial interest	4,125,000	1.6%
	Interest in a controlled corporation <sup>(Note 2)</sup>	150,000,000	58.2%
		154,125,000	59.8%
Ms. Wong Pik Hung	Beneficial interest	3,375,000	1.3%
	Spouse interest <sup>(Note 3)</sup>	154,500,000	59.9%
		157,875,000	61.2%

(b) *Share options*

<b>Name of Directors</b>	<b>Nature of interest</b>	<b>Number of options held/interested</b>	<b>Number of underlying shares interested</b>
Mr. Cheng Sze Kin	Beneficial interest <sup>(Note 1)</sup>	1,400,000	1,400,000
	Spouse interest <sup>(Note 1)</sup>	1,400,000	1,400,000
		2,800,000	2,800,000
Mr. Cheng Sze Tsan	Beneficial interest <sup>(Note 2)</sup>	1,400,000	1,400,000
Ms. Wong Pik Hung	Beneficial interest <sup>(Note 3)</sup>	1,400,000	1,400,000
	Spouse interest <sup>(Note 3)</sup>	1,400,000	1,400,000
		2,800,000	2,800,000
Mr. Lo Siu Leung	Beneficial interest	250,000	250,000
Dr. Cheung Wah Keung	Beneficial interest	250,000	250,000
Mr. Chow On Wa	Beneficial interest	250,000	250,000

Notes:

- (1) Mr. Cheng Sze Kin is interested in 40% of World Empire Investment Inc. ("**World Empire**"), a holder of 150,000,000 Shares, representing 58.2% of the Company's issued share capital. Therefore, Mr. Cheng Sze Kin is deemed to be interested in such 150,000,000 Shares, representing 58.2% of the Company's issued share capital. Mr. Cheng Sze Kin is also the beneficial owner of 4,500,000 Shares, representing 1.7% of the Company's issued share capital, and holds options granted under the Share Option Scheme to subscribe for 1,400,000 Shares. Mr. Cheng Sze Kin is deemed to be interested in the 3,375,000 Shares held by Ms. Wong Pik Hung (his spouse), representing 1.3% of the Company's issued share capital; and the options granted to his spouse, Ms. Wong Pik Hung, under the Share Option Scheme to subscribe for 1,400,000 Shares. However, each of Mr. Cheng Sze Kin and Ms. Wong Pik Hung has confirmed that he/she will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.
- (2) Mr. Cheng Sze Tsan is interested in 35% of World Empire, a holder of 150,000,000 Shares, representing 58.2% of the Company's issued share capital. Therefore, Mr. Cheng Sze Tsan is deemed to be interested in such 150,000,000 Shares, representing 58.2% of the Company's issued share capital. Mr. Cheng Sze Tsan is also the beneficial owner of 4,125,000 Shares, representing 1.6% of the Company's issued share capital, and holds options granted under the Share Option Scheme to subscribe for 1,400,000 Shares. However, Mr. Cheng Sze Tsan has confirmed that he will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

- (3) Ms. Wong Pik Hung is the spouse of Mr. Cheng Sze Kin and is interested in 25% of the equity interest in World Empire, thus, Ms. Wong Pik Hung is deemed to be interested in 150,000,000 Shares held by World Empire in which Mr. Cheng Sze Kin is indirectly interested, representing 58.2% of the Company's issued share capital. Ms. Wong Pik Hung holds 3,375,000 Shares, representing 1.3% of the Company's issued share capital, and holds options granted under the Share Option Scheme to subscribe for 1,400,000 Shares. Ms. Wong Pik Hung is deemed to be interested in the 4,500,000 Shares held by Mr. Cheng Sze Kin (her spouse), representing 1.7% of the Company's issued share capital; and the options granted to her spouse, Mr. Cheng Sze Kin, under the Share Option Scheme to subscribe for 1,400,000 Shares. However, each of Mr. Cheng Sze Kin and Ms. Wong Pik Hung has confirmed that he/she will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.
- (4) The percentage is calculated on the basis of 257,854,000 Shares in issue at the date of this report.

Save as disclosed above, none of the Directors, chief executive and their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2021.

## Substantial Shareholders and Other Persons

As at 30 June 2021, the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance showed that other than the interests disclosed above in respect of certain Directors and chief executive, the following Shareholders had notified the Company of relevant interests and underlying Shares in the issued share capital of the Company.

### Long positions in Shares

Name of Shareholder	Capacity	Number of Shares held	Percentage of the issued share capital of the Company <small>(Note 2)</small>
World Empire <small>(Note 1)</small>	Beneficial owner	150,000,000	58.2%

Notes:

- (1) World Empire is a company incorporated in the British Virgin Islands, the issued share capital of which is owned as to 40%, 35% and 25% by Mr. Cheng Sze Kin, Mr. Cheng Sze Tsan and Ms. Wong Pik Hung, respectively.
- (2) The percentage is calculated on the basis of 257,854,000 Shares in issue at the date of this report.

Save as disclosed above, as at 30 June 2021, the Company has not been notified by any persons/entities (other than interests disclosed above by certain Directors or the chief executive of the Company) who held an interest or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

## Corporate Governance Practices Code

The Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. The Directors consider the Company has complied with the code provisions as set out in the CG Code during the Period. Save as disclosed herein, the Company considers that there has been no deviation from the code provisions of the CG Code during the Period.

## Model Code For Securities Transactions

The Company has adopted its own code of conduct for the Directors in their dealings in the Company’s securities on terms no less than the required standard set out in the Model Code. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they had complied with the required standard of dealings as required by the Company’s code of conduct and the Model Code throughout the Review Period. Save as disclosed herein, the Company considers that there has been no deviation from the Company’s code of conduct and the Model Code during the Review Period.

## Review of Interim Results

The Company has established the audit committee in compliance with rule 3.21 of the Listing Rules and code provision C.3 of the CG Code for the purpose of reviewing and supervising the Group’s financial reporting process, risk management and internal audit functions and control. The audit committee of the Company, comprising three Independent Non-executive Directors, namely Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa, and chaired by Mr. Lo Siu Leung, has reviewed the results (including the unaudited condensed consolidated financial statements) of the Group for the six months ended 30 June 2021.

In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 have been reviewed by our auditors, CHENG & CHENG LIMITED, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Board of Directors

As at the date of this report, the Board of the Company comprises Mr. Cheng Sze Kin (Chairman), Mr. Cheng Sze Tsan (Vice-chairman) and Ms. Wong Pik Hung as Executive Directors, and Mr. Lo Siu Leung, Dr. Cheung Wah Keung and Mr. Chow On Wa as Independent Non-executive Directors.

By Order of the Board

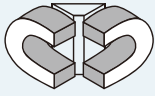
**Casablanca Group Limited**

**Cheng Sze Kin**

*Chairman*

Hong Kong, 27 August 2021

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**CHENG & CHENG LIMITED**  
CERTIFIED PUBLIC ACCOUNTANTS  
鄭 鄭 會 計 師 事 務 所 有 限 公 司

Level 35, Tower 1, Enterprise Square Five,  
38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong  
香港九龍九龍灣宏照道38號企業廣場5期1座35樓

## **TO THE BOARD OF DIRECTORS OF CASABLANCA GROUP LIMITED**

卡撒天嬌集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

## **Introduction**

We have reviewed the condensed consolidated financial statements of Casablanca Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 21 to 39, which comprises the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### **CHENG & CHENG LIMITED**

*Certified Public Accountants*

Hong Kong

27 August 2021

### **Lui Chun Yip**

Practising Certificate number P07004

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

For the six months ended 30 June 2021

		<b>Six months ended 30 June</b>	
	NOTES	<b>2021 HK\$'000 (unaudited)</b>	2020 HK\$'000 (unaudited)
Revenue	4	<b>142,681</b>	135,841
Cost of goods sold		<b>(53,336)</b>	(51,433)
Gross profit		<b>89,345</b>	84,408
Other income	5	<b>669</b>	4,792
Other losses	6	<b>(338)</b>	(3,485)
Selling and distribution costs		<b>(66,572)</b>	(64,919)
Administrative expenses		<b>(20,335)</b>	(21,537)
Finance costs	7	<b>(472)</b>	(630)
Profit (loss) before taxation	8	<b>2,297</b>	(1,371)
Taxation	9	<b>(707)</b>	(816)
Profit (Loss) for the period		<b>1,590</b>	(2,187)
Other comprehensive income (expense)			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<b>2,288</b>	(3,222)
Release of translation reserve upon deregistration of a subsidiary		-	(29)
Other comprehensive income (expense) for the period		<b>2,288</b>	(3,251)
Total comprehensive income (expense) for the period		<b>3,878</b>	(5,438)
Profit (loss) for the period attributable to:			
Owners of the Company		<b>1,590</b>	(2,169)
Non-controlling interests		-	(18)
		<b>1,590</b>	(2,187)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		<b>3,878</b>	(5,420)
Non-controlling interests		-	(18)
		<b>3,878</b>	(5,438)
Earnings (loss) per share	11		
– Basic (HK cents)		<b>0.62</b>	(0.84)
– Diluted (HK cents)		<b>0.61</b>	(0.84)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	NOTES	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>144,833</b>	128,621
Right-of-use assets	12	<b>34,820</b>	32,573
Intangible assets		<b>-</b>	-
Deposits paid for acquisition of property, plant and equipment		<b>4,313</b>	6,352
Rental and other deposits		<b>1,812</b>	1,617
Deferred tax assets		<b>469</b>	15
		<b>186,247</b>	169,178
<b>Current assets</b>			
Inventories		<b>81,340</b>	76,239
Trade and other receivables	13	<b>41,761</b>	62,386
Financial assets at fair value through profit or loss		<b>7,188</b>	5,244
Taxation recoverable		<b>2,106</b>	2,897
Pledged bank deposits		<b>6,089</b>	6,246
Bank balances and cash		<b>148,570</b>	188,383
		<b>287,054</b>	341,395
<b>Current liabilities</b>			
Trade and other payables	14	<b>49,962</b>	64,326
Lease liabilities		<b>11,705</b>	11,707
Taxation payable		<b>454</b>	933
Bank borrowings	15	<b>-</b>	2,375
		<b>62,121</b>	79,341
<b>Net current assets</b>		<b>224,933</b>	262,054
<b>Total assets less current liabilities</b>		<b>411,180</b>	431,232
<b>Non-current liabilities</b>			
Lease liabilities		<b>7,705</b>	5,814
Deferred tax liabilities		<b>589</b>	625
		<b>8,294</b>	6,439
<b>Net assets</b>		<b>402,886</b>	424,793
<b>Capital and reserves</b>			
Share capital	16	<b>25,785</b>	25,785
Reserves		<b>377,101</b>	399,008
<b>Total equity</b>		<b>402,886</b>	424,793

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note i)	Merger reserve HK\$'000 (Note ii)	PRC statutory reserve HK\$'000 (Note iii)	Translation reserve HK\$'000	Share options reserve HK\$'000	Accumulated profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2021 (audited)	25,785	165,956	2,000	1,319	4,146	(7,607)	2,349	230,845	424,793	-	424,793
<b>Changes in equity for the six months ended 30 June 2021:</b>											
Profit for the period	-	-	-	-	-	-	-	1,590	1,590	-	1,590
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	2,288	-	-	2,288	-	2,288
Other comprehensive income for the period	-	-	-	-	-	2,288	-	-	2,288	-	2,288
Total comprehensive income for the period	-	-	-	-	-	2,288	-	1,590	3,878	-	3,878
Lapse of share options	-	-	-	-	-	-	(1,904)	1,904	-	-	-
Dividend paid	-	-	-	-	-	-	-	(25,785)	(25,785)	-	(25,785)
<b>At 30 June 2021 (unaudited)</b>	<b>25,785</b>	<b>165,956</b>	<b>2,000</b>	<b>1,319</b>	<b>4,146</b>	<b>(5,319)</b>	<b>445</b>	<b>208,554</b>	<b>402,886</b>	<b>-</b>	<b>402,886</b>
At 1 January 2020 (audited)	25,843	166,268	2,000	1,319	3,958	(17,618)	1,904	222,657	406,331	(63)	406,268
<b>Changes in equity for the six months ended 30 June 2020:</b>											
Loss for the period	-	-	-	-	-	-	-	(2,169)	(2,169)	(18)	(2,187)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	(3,222)	-	-	(3,222)	-	(3,222)
Release of translation reserve upon deregistration of a subsidiary	-	-	-	-	-	(29)	-	-	(29)	-	(29)
Other comprehensive expense for the period	-	-	-	-	-	(3,251)	-	-	(3,251)	-	(3,251)
Total comprehensive expense for the period	-	-	-	-	-	(3,251)	-	(2,169)	(5,420)	(18)	(5,438)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	79	79
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	2	2
Dividend paid	-	-	-	-	-	-	-	(7,753)	(7,753)	-	(7,753)
At 30 June 2020 (unaudited)	25,843	166,268	2,000	1,319	3,958	(20,869)	1,904	212,735	393,158	-	393,158

Notes:

- (i) The capital reserve represents the waiver of the amount due to a related company.
- (ii) The merger reserve of the Group represented the difference between the par value of the shares of Company issued in exchange for the entire share capital of Jollirich Investment Limited, Casablanca International Limited and Rich Creation Asia Investment Limited and transfer of 11.76% of equity interest in Forcetech (Shenzhen) Company Limited ("**Forcetech (Shenzhen)**") pursuant to the group reorganisation prior to the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").
- (iii) According to the relevant requirements in the Articles of Association of the Group's subsidiaries in The People's Republic of China ("**PRC**"), a portion of their profits after taxation is transferred to PRC statutory reserve. The transfer must be made before the distribution of a dividend to equity owners. The PRC statutory reserve fund can be used to make up the prior year losses, if any. The PRC statutory reserve fund is non-distributable other than upon liquidation.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Net cash from operating activities	<b>15,196</b>	32,888
Net cash (used in) from investing activities		
Placement of pledged bank deposits	<b>(11,435)</b>	(8,284)
Deposit paid for acquisition of property, plant and equipment	<b>(689)</b>	(52)
Purchase of property, plant and equipment	<b>(18,487)</b>	(2,369)
Withdrawal of pledged bank deposits	<b>11,657</b>	10,165
Other investing cash flows	<b>108</b>	618
	<b>(18,846)</b>	78
Net cash used in financing activities		
New bank loan raised	<b>10,000</b>	–
Repayments of bank borrowings	<b>(12,401)</b>	(1,931)
Repayments of lease liabilities	<b>(7,682)</b>	(7,335)
Interest paid	<b>(472)</b>	(630)
Dividend paid	<b>(25,785)</b>	(7,753)
Capital contribution from non-controlling interests	<b>–</b>	79
	<b>(36,340)</b>	(17,570)
Net (decrease) increase in cash and cash equivalents	<b>(39,990)</b>	15,396
Cash and cash equivalents at beginning of the period	<b>188,383</b>	168,743
Effect of foreign exchange rate changes	<b>177</b>	(1,081)
Cash and cash equivalents at end of the period, represented by bank balances and cash	<b>148,570</b>	183,058

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

The condensed consolidated financial statements have been prepared on the historical cost except for financial instruments, that are measured at fair values at the end of each reporting period. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousands, except when otherwise indicated.

## 3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, Interest Rate Benchmark Reform - Phase 2  
HKFRS 4 and HKFRS 16

In addition, the Group has early applied the Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021”.

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 4. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on manufacture and sales of bedding products. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, which are regularly reviewed by the executive directors of the Company, the chief operating decision maker of the Group. The executive directors of the Company regularly review revenue analysis by (i) self-operated retail sales; (ii) e-sales; (iii) sales to distributors and (iv) others. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products. The executive directors of the Company review the revenue and the profit for the period of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the executive directors of the Company. Accordingly, no analysis of this single operating segment is presented.

- Self-operated retail sales: Sales through the self-operated retail sales channel refer to retail sales to end-user consumers at the self-operated concession counters in department stores and self-operated retail stores.
- E-sales: E-sales refer to retail sales to end-user consumers through online platforms on internet or mobile devices operated by the Group or third parties, but not by distributors or wholesale customers.
- Sales to distributors: Sales to distributors refer to the sales to distributors who resell the products to end-user consumers, typically at concession counters in department stores and retail stores operated by distributors.
- Others: Other sales include sales to wholesale customers located in the PRC, Hong Kong and Macau, and sales made to overseas customers.

### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by distribution channels, major products and geographical location of customers is as follows:

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Disaggregated by distribution channels		
– Self-operated retail sales	103,928	98,492
– E-sales	14,057	14,789
– Sales to distributors	13,212	8,520
– Others	11,484	14,040
	<b>142,681</b>	135,841

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### Disaggregation of revenue (Continued)

	Six months ended 30 June	
	<b>2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	2020 HK\$'000 (unaudited)
Disaggregated by major products		
– Bed linens	<b>79,519</b>	78,474
– Duvets and pillows	<b>55,085</b>	50,533
– Other home accessories	<b>8,077</b>	6,834
	<b>142,681</b>	135,841

	Six months ended 30 June	
	<b>2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	2020 HK\$'000 (unaudited)
Disaggregated by geographical location of customers		
– Hong Kong and Macau	<b>106,484</b>	104,584
– PRC	<b>36,156</b>	31,257
– Others	<b>41</b>	–
	<b>142,681</b>	135,841

## 5. OTHER INCOME

	Six months ended 30 June	
	<b>2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	2020 HK\$'000 (unaudited)
Bank interest income	<b>108</b>	607
Government subsidies (Note)	<b>29</b>	2,796
Investment income	<b>–</b>	11
Dividend income	<b>403</b>	–
Others	<b>129</b>	1,378
	<b>669</b>	4,792

Note: For the six months ended 30 June 2020, government subsidies of HK\$2,796,000 mainly included the COVID-19-related subsidies of HK\$2,761,000, of which HK\$1,481,000 relates to Employment Support Scheme provided by the Hong Kong government, HK\$1,280,000 relates to Retail Sector Subsidy Scheme under Antiepidemic Fund provided by the Hong Kong government and HK\$35,000 relates to other COVID-19-related subsidies provided by the PRC government.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 6. OTHER LOSSES

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Gain on deregistration of a subsidiary	-	27
Impairment loss on property, plant and equipment	(505)	(309)
Impairment loss on right-of-use assets	-	(1,318)
Loss on disposals and written off of property, plant and equipment	-	(374)
Net exchange gains (losses)	251	(827)
Net loss allowance on trade receivables	(128)	(154)
Loss allowance on other receivables	-	(530)
Net unrealised loss on financial assets at fair value through profit or loss	(38)	-
Gain on lease modification	82	-
	<b>(338)</b>	(3,485)

## 7. FINANCE COSTS

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on:		
Bank borrowings	42	160
Lease liabilities	430	470
Total finance costs	<b>472</b>	630

## 8. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Profit (loss) before taxation has been arrived at after charging/(crediting):		
Directors' and chief executive's remuneration (Note)	5,482	5,346
Other staff costs	37,800	37,108
Net allowance for inventories (included in cost of goods sold)	1,845	3,024
Cost of inventories recognised as expenses	51,491	48,409
Covid-19-related rent concessions (Note 12(a))	(60)	(895)
Depreciation of property, plant and equipment	5,708	6,651
Depreciation of right-of-use assets (Note)	7,663	7,748
Expenses relating to short-term leases	7,790	8,659
Variable lease payments not included in the measurement of lease liabilities	8,135	8,119

Note: The leases of directors' quarters provided to Mr. Cheng Sze Kin, Mr. Cheng Sze Tsan and Ms. Wong Pik Hung (the "Ultimate Beneficial Owners") were classified as the right-of-use assets. The depreciation of the right-of-use assets related to the directors' quarters for the six months ended 30 June 2021 was HK\$1,026,000 (2020: HK\$1,057,000), which is included in both the directors' and chief executive's remuneration and depreciation of right-of-use assets. The rental payments paid to related companies for the six months ended 30 June 2021 was HK\$1,074,000 (2020: HK\$1,110,000).

## 9. TAXATION

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax		
Hong Kong	1,197	674
PRC Enterprise Income Tax ("EIT")	-	281
	1,197	955
Under-provision in prior years		
PRC EIT	-	3
	1,197	958
Deferred taxation	(490)	(142)
	707	816

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 9. TAXATION (Continued)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2020: 16.5%) to the six months ended 30 June 2021, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2020.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

At the end of the current interim period, the Group has unused tax losses of HK\$39,891,000 (31 December 2020: HK\$34,878,000) available for offset against future profits. A deferred tax asset of HK\$443,000 (31 December 2020: Nil) in respect of tax losses of HK\$1,772,000 (31 December 2020: Nil) has been recognised. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$38,119,000 (31 December 2020: HK\$34,878,000) due to the unpredictability of future profit streams and those will expire up to 2026.

Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB27,647,000 (equivalent to HK\$33,246,000) (31 December 2020: RMB29,165,000 (equivalent to HK\$34,638,000)) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

## 10. DIVIDEND

During the current interim period, a final dividend of HK\$0.10 per share in respect of the year ended 31 December 2020 (2020: HK\$0.03 per share in respect of the year ended 31 December 2019) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to approximately HK\$25,785,000 (2020: HK\$7,753,000).

Subsequent to 30 June 2021, the directors of the Company have determined that an interim dividend of HK\$0.05 per ordinary share in the share capital of the Company amounting to HK\$12,893,000 in aggregate (2020: Nil) will be paid on 27 September 2021 to the owners of the shares of the Company whose names appear in the Register of Members on 16 September 2021.

## 11. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Earnings (loss)</b>		
Profit (loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	<b>1,590</b>	(2,169)

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<b>257,854,000</b>	258,432,000
Effect of dilutive potential ordinary shares: Options	<b>848,307</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<b>258,702,307</b>	258,432,000

The diluted loss per share for the six months ended 30 June 2020 has not taken into account the effect of outstanding share options as exercise of such options would result in decrease in loss per share.

## 12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

### (a) Right-of-use assets

During the six months ended 30 June 2021, the Group entered into a number of lease agreements for use of the retail stores and department store counters, and therefore recognised the additions of right-of-use assets of approximately HK\$10,682,000 (six months ended 30 June 2020: HK\$10,821,000).



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

### (a) Right-of-use assets (Continued)

The leases of retail stores contain variable lease payment terms that are based on sales generated from the retail stores and department store counters and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores and department store counters in Hong Kong and PRC where the Group operates. During the six months ended 30 June 2021, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed and variable lease payments for the interim reporting period is summarised below:

	Six months ended 30 June 2021			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19-related rent concessions HK\$'000	Total payments HK\$'000
Retail stores and rented premises without variable lease payments	2,716	-	(60)	2,656
Retail stores with variable lease payments	4,090	17	-	4,107
Department store counters with variable lease payments	9,156	8,118	-	17,274
	15,962	8,135	(60)	24,037

	Six months ended 30 June 2020			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19-related rent concessions HK\$'000	Total payments HK\$'000
Retail stores and rented premises without variable lease payments	2,861	-	(63)	2,798
Retail stores with variable lease payments	3,805	42	(280)	3,567
Department store counters with variable lease payments	9,798	8,077	(552)	17,323
	16,464	8,119	(895)	23,688

### (b) Acquisitions of owned assets

During the six months ended 30 June 2021, the Group acquired property, plant and equipment with a cost of HK\$21,067,000 (six months ended 30 June 2020: HK\$488,000) which mainly related to the construction cost of the new factory building in the PRC of HK\$19,501,000.

### 13. TRADE AND OTHER RECEIVABLES

	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
Trade receivables	<b>30,935</b>	53,270
Less: Loss allowance	<b>(6,304)</b>	(6,099)
Trade receivables, net	<b>24,631</b>	47,171
Deposits	<b>5,753</b>	4,397
Prepayments	<b>4,134</b>	4,188
Value added tax recoverable	<b>4,309</b>	3,478
Advances to employees	<b>844</b>	744
Other receivables	<b>2,090</b>	2,408
	<b>17,130</b>	15,215
Trade and other receivables	<b>41,761</b>	62,386

Retailing sales are mainly made at concession counters in department stores. The department stores collect cash from the ultimate customers and then repay the balance after deducting the concessionaire commission to the Group. The credit period granted to department stores ranging from 30 to 90 days. For distributors and wholesale sales, the Group allows a credit period up to 90 days to its trade customers, which may be extended to 180 days for selected customers.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 13. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables net of loss allowance presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
Within 30 days	<b>15,190</b>	32,397
31 to 60 days	<b>2,559</b>	6,687
61 to 90 days	<b>4,464</b>	6,487
91 to 180 days	<b>1,389</b>	1,130
181 to 365 days	<b>858</b>	339
Over 365 days	<b>171</b>	131
	<b>24,631</b>	47,171

## 14. TRADE AND OTHER PAYABLES

	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
Trade payables	<b>17,963</b>	19,011
Bills payables	<b>16,952</b>	22,235
Trade and bills payables	<b>34,915</b>	41,246
Deposits received from customers	<b>3,701</b>	2,574
Accrued expenses	<b>6,917</b>	9,713
Salaries payables	<b>3,503</b>	8,520
Payable for acquisition of property, plant and equipment	<b>585</b>	798
Other payables	<b>341</b>	1,475
	<b>15,047</b>	23,080
Trade and other payables	<b>49,962</b>	64,326

The credit period of trade and bills payables is from 30 to 180 days.

## 14. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period.

	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
Within 30 days	<b>12,173</b>	15,352
31 to 60 days	<b>9,599</b>	16,444
61 to 90 days	<b>8,231</b>	7,247
91 to 180 days	<b>4,407</b>	2,086
Over 180 days	<b>505</b>	117
	<b>34,915</b>	41,246

## 15. BANK BORROWINGS

During the six months ended 30 June 2021, the Group has obtained a new bank borrowing amounting to HK\$10,000,000 (six months ended 30 June 2020: Nil) and repaid bank borrowings of HK\$12,401,000 (six months ended 30 June 2020: HK\$1,931,000). During the six months ended 30 June 2021, the loans carried effective interest rates ranging from 2.56% to 5.64% (six months ended 30 June 2020: 5.72%) per annum. The loans were fully repaid (31 December 2020: repayable within one year).

## 16. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount</b> <b>HK\$'000</b>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	<b>500,000,000</b>	<b>50,000</b>
Issued and fully paid:		
At 1 January 2021 and 30 June 2021	<b>257,854,000</b>	<b>25,785</b>
At 1 January 2020 and 30 June 2020	258,432,000	25,843

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 17. SHARE OPTION SCHEME

The share option scheme (the "**Share Option Scheme**") was adopted pursuant to the sole shareholder's resolution passed on 22 October 2012 for the primary purpose of providing incentives or rewards to directors or eligible employees, motivating the eligible participants to optimise their performance efficiency for the benefit of the Company and tracking and retaining with the eligible participants. The principal terms of the Share Option Scheme are as follows:

- (i) the Share Option Scheme is valid for 10 years from 22 October 2012;
- (ii) options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board of Directors to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted;
- (iii) the exercise price of the share option will be determined at the highest of the closing price of the Company's shares on the Stock Exchange on the date of grant and the average of closing prices of the Company's shares on the Stock Exchange on the five business days immediately preceding the date of grant of the option;
- (iv) the maximum number of shares in respect of which options may be granted shall not exceed 20,000,000 shares representing 10% of the total number of shares in issue at the date of listing of the shares of the Company on the Main Board of the Stock Exchange (representing 7.76% of the issued shares of the Company as at the date of this interim report);
- (v) Any offer of share options may be accepted in writing received by any director or the secretary of the Company on the date specified in the offer; and
- (vi) the maximum entitlement of each eligible participant in any 12-month period up to the date of offer to grant shall not exceed 1% of the shares in issue as at the date of offer to grant.

At 30 June 2021, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was, in aggregate, 5,250,000 (31 December 2020: 10,500,000), representing 2.0% (31 December 2020: 4.1%) of the shares of the Company in issue at that date.

## 17. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group during both periods:

### For the six months ended 30 June 2021

Categories of participants	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1.1.2021	Lapsed during the period	Outstanding at 30.6.2021
<b>Under the Share Option Scheme</b>						
Executive directors	17.4.2018	17.4.2018-16.4.2021	1.18	4,200,000	(4,200,000)	-
Independent non-executive director	17.4.2018	17.4.2018-16.4.2021	1.18	750,000	(750,000)	-
Employee	17.4.2018	17.4.2018-16.4.2021	1.18	300,000	(300,000)	-
				5,250,000	(5,250,000)	-
Executive directors	2.7.2020	2.7.2020-1.7.2023	0.48	4,200,000	-	<b>4,200,000</b>
Independent non-executive director	2.7.2020	2.7.2020-1.7.2023	0.48	750,000	-	<b>750,000</b>
Employee	2.7.2020	2.7.2020-1.7.2023	0.48	300,000	-	<b>300,000</b>
				5,250,000	-	<b>5,250,000</b>
				10,500,000	(5,250,000)	<b>5,250,000</b>

### For the six months ended 30 June 2020

Categories of participants	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1.1.2020	Lapsed during the period	Outstanding at 30.6.2020
<b>Under the Share Option Scheme</b>						
Executive directors	17.4.2018	17.4.2018-16.4.2021	1.18	4,200,000	-	4,200,000
Independent non-executive director	17.4.2018	17.4.2018-16.4.2021	1.18	750,000	-	750,000
Employee	17.4.2018	17.4.2018-16.4.2021	1.18	300,000	-	300,000
				5,250,000	-	5,250,000

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 18. CAPITAL COMMITMENT

	<b>30.6.2021</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 HK\$'000 (audited)
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	<b>34,028</b>	48,764

## 19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis (31 December 2020: recurring basis), categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	<b>30.6.2021</b> <b>Level 1</b> <b>and total</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2020 Level 1 and total HK\$'000 (audited)
Financial asset at fair value through profit or loss		
– Listed securities	<b>7,188</b>	5,244

During the six months ended 30 June 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 2020: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## 20. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had entered into the following related party transactions:

Name of related companies	Relationship	Nature of balances	<b>30.6.2021 HK\$'000 (unaudited)</b>	31.12.2020 HK\$'000 (audited)
Gain Harvest Investment Limited	Related company (Note a)	Lease liabilities (Note b)	<b>3,176</b>	–
Wealth Pine Asia Limited	Related company (Note a)	Lease liabilities (Note b)	<b>1,992</b>	–

Notes:

- (a) The Ultimate Beneficial Owners have directorship and beneficial and controlling interests in these related companies.
- (b) The lease contracts related to the directors' quarters provided to the Ultimate Beneficial Owners were classified as the right-of-use assets. The rental payments paid to related companies for the six months ended 30 June 2021 were HK\$1,074,000 (six months ended 30 June 2020: HK\$1,110,000).

### Compensation of key management personnel

The remuneration of directors and other member of key management during the period was as follows:

	<b>Six months ended 30 June</b>	
	<b>2021 HK\$'000 (unaudited)</b>	2020 HK\$'000 (unaudited)
Salaries and allowances (Note)	<b>6,069</b>	5,902
Retirement benefit schemes contributions	<b>385</b>	363
	<b>6,454</b>	6,265

Note:

The rental payments of HK\$1,074,000 paid for the directors' quarters for the six months ended 30 June 2021 (six months ended 30 June 2020: HK\$1,110,000) are included in the amount.

## 21. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with the current interim period's presentation.



# CORPORATE INFORMATION

## Stock Code

2223

## Board of Directors

### Executive Directors

Mr. Cheng Sze Kin (*Chairman*)

Mr. Cheng Sze Tsan

(*Vice-chairman and Chief Executive Officer*)

Ms. Wong Pik Hung

### Independent Non-executive Directors

Mr. Lo Siu Leung

Dr. Cheung Wah Keung

Mr. Chow On Wa

## Committees

### Audit Committee

Mr. Lo Siu Leung (*Chairman*)

Dr. Cheung Wah Keung

Mr. Chow On Wa

### Remuneration Committee

Dr. Cheung Wah Keung (*Chairman*)

Mr. Lo Siu Leung

Mr. Chow On Wa

### Nomination Committee

Mr. Cheng Sze Kin (*Chairman*)

Mr. Lo Siu Leung

Dr. Cheung Wah Keung

Mr. Chow On Wa

### Investment Committee

Mr. Cheng Sze Kin (*Chairman*)

Mr. Cheng Sze Tsan

Mr. Chow On Wa

## Company Secretary

Mr. Ho Yiu Leung

## Authorised Representatives

Ms. Wong Pik Hung

Mr. Ho Yiu Leung

## Registered Office

PO Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

## Headquarters and Principal Place of Business

5/F Yan Hing Centre

9-13 Wong Chuk Yeung Street

Fotan, New Territories

Hong Kong

## Auditor

CHENG & CHENG LIMITED,

Certified Public Accountants

Level 35, Tower 1, Enterprise Square Five,

38 Wang Chiu Road, Kowloon Bay, Kowloon.,

Hong Kong

## Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman KY1-1102

Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited

Suites 3301-04, 33/F,

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

## Principal Bankers

Standard Chartered Bank (Hong Kong) Limited

Standard Chartered Bank (China) Limited

Bank of China (Hong Kong) Limited

Bank of China Limited

## Company Website

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