

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## SKY LIGHT HOLDINGS LIMITED

### 天彩控股有限公司

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

**(Stock Code: 3882)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS	Six months ended 30 June		CHANGE
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	
<b>REVENUE</b>	<b>142,940</b>	264,630	(46.0%)
<b>COST OF SALES</b>	<b>(123,140)</b>	(221,290)	(44.4%)
<b>GROSS PROFIT</b>	<b>19,800</b>	43,340	(54.3%)
<b>GROSS PROFIT MARGIN (%)</b>	<b>13.9%</b>	16.4%	(2.5 p.p.t.)
<b>LOSS FOR THE PERIOD</b>	<b>(49,567)</b>	(1,585)	3,027.3%
Attributable to:			
<b>OWNERS OF THE COMPANY</b>	<b>(39,030)</b>	1,611	(2,522.7%)
<b>NON-CONTROLLING INTERESTS</b> <b>(“NCI”)</b>	<b>(10,537)</b>	(3,196)	229.7%
	<b>(49,567)</b>	(1,585)	3,027.3%
<b>(LOSS)/PROFIT PER SHARE</b> <b>ATTRIBUTABLE TO OWNERS</b> <b>OF THE COMPANY</b>			
<b>BASIC AND DILUTED</b>	<b>HK(4.0) cent</b>	HK0.2 cent	(2,100.0%)

The board (the “**Board**”) of directors (“**Directors**”) of Sky Light Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**2023 Interim**”), together with the comparative figures for the six months ended 30 June 2022 (the “**2022 Interim**”). The condensed consolidated interim financial statements for 2023 Interim have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue</b>	5	<b>142,940</b>	264,630
Cost of sales		<u>(123,140)</u>	<u>(221,290)</u>
<b>Gross profit</b>		<b>19,800</b>	43,340
Other income and other gains		<b>8,383</b>	19,535
Selling and distribution expenses		<b>(20,299)</b>	(14,067)
Administrative expenses		<b>(33,934)</b>	(25,339)
Research and development expenses		<b>(19,893)</b>	(23,498)
Other expenses		<u>(2,693)</u>	<u>(620)</u>
<b>Loss from operations</b>		<b>(48,636)</b>	(649)
Finance costs	6	<b>(836)</b>	(986)
Share of (loss)/profit of an associate		<u>(95)</u>	<u>67</u>
<b>Loss before tax</b>		<b>(49,567)</b>	(1,568)
Income tax expense	7	<u>–</u>	<u>(17)</u>
<b>Loss for the period</b>	8	<u><b>(49,567)</b></u>	<u>(1,585)</u>
<b>Attributable to:</b>			
Owners of the Company		<b>(39,030)</b>	1,611
Non-controlling interests (“ <b>NCI</b> ”)		<u><b>(10,537)</b></u>	<u>(3,196)</u>
		<u><b>(49,567)</b></u>	<u>(1,585)</u>
<b>(Loss)/profit per share</b>			
Basic	10	<u><b>HK(4.0) cent</b></u>	<u>HK0.2 cent</u>
Diluted	10	<u><b>HK(4.0) cent</b></u>	<u>HK0.2 cent</u>

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2023*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period</b>	<u><b>(49,567)</b></u>	<u><b>(1,585)</b></u>
<b>Other comprehensive expense:</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value changes of equity investment designated at fair value through other comprehensive income ("FVTOCI")	<b>(656)</b>	<b>(4,658)</b>
<i>Item that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u><b>(10,459)</b></u>	<u><b>(10,487)</b></u>
<b>Other comprehensive expense for the period, net of tax</b>	<u><b>(11,115)</b></u>	<u><b>(15,145)</b></u>
<b>Total comprehensive expense for the period</b>	<u><b>(60,682)</b></u>	<u><b>(16,730)</b></u>
<b>Attributable to:</b>		
Owners of the Company	<b>(49,778)</b>	<b>(13,553)</b>
NCI	<u><b>(10,904)</b></u>	<u><b>(3,177)</b></u>
	<u><b>(60,682)</b></u>	<u><b>(16,730)</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

		30 June 2023	31 December 2022
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		29,994	24,403
Provisional goodwill		127	161,217
Intangible assets		7,108	32,058
Right-of-use assets		24,663	21,584
Equity investment designated at FVTOCI		20,425	21,081
Investment in an associate		2,336	2,449
		<b>84,653</b>	262,792
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		129,657	139,873
Trade and factoring receivables	11	61,170	29,513
Prepayments and other receivables		36,727	20,076
Financial asset at fair value through profit or loss (“FVTPL”)		5,297	5,222
Pledged bank deposits	12	2,743	2,729
Cash and cash equivalents		67,290	81,447
		<b>302,884</b>	278,860
<b>Total current assets</b>			
<b>Current liabilities</b>			
Trade payables	13	67,800	64,963
Other payables and accruals		100,392	95,050
Interest-bearing bank borrowings	14	21,338	8,035
Lease liabilities		10,702	14,771
		<b>200,232</b>	182,819
<b>Total current liabilities</b>			

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Net current assets</b>	<u>102,652</u>	<u>96,041</u>
<b>Total assets less current liabilities</b>	<u>187,305</u>	<u>358,833</u>
<b>Non-current liabilities</b>		
Lease liabilities	14,701	8,194
Deferred tax liabilities	669	6,692
Contingent consideration	–	<u>54,117</u>
<b>Total non-current liabilities</b>	<u>15,370</u>	<u>69,003</u>
<b>Net assets</b>	<u>171,935</u>	<u>289,830</u>
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	10,086	9,536
Reserves	<u>191,176</u>	<u>279,783</u>
	191,176	289,319
<b>NCI</b>	<u>(19,241)</u>	<u>511</u>
<b>Total equity</b>	<u>171,935</u>	<u>289,830</u>

## NOTES

FOR THE SIX MONTHS ENDED 30 JUNE 2023

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 18 December 2013. The Company's registered office address is Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 July 2015.

The Company is an investment holding company. During the review period, the Company's subsidiaries were principally engaged in:

- Manufacture and distribution of home surveillance cameras
- Manufacture and distribution of digital imaging products
- Manufacture and distribution of other electronic products
- Operation of artificial intelligence (AI) vending machine

In the opinion of the directors of the Company (the "**Directors**"), the immediate holding company and the ultimate holding company of the Company is Fortune Six Investment Ltd., a company incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION

These Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 31 December 2022 (the "**2022 Annual Report**"), except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

The application of the amendments to HKFRSs has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2022 Annual Report.

### 4. OPERATING SEGMENT INFORMATION

The Group focuses primarily on the manufacture and distribution of home surveillance cameras, digital imaging products, other electronic products and operation of AI vending machines during the period.

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the Directors reviewed the financial results of the Group as a whole. At the end of the reporting period, the operations of the Group constitute two reportable segments: Manufacture and sales of camera products and related accessories business and operation of AI vending machines.

The chief operating decision-marker (“**CODM**”) reviews the Group’s result by the each of the business line in order to assess performance and allocation of resources. Other than segment results, no segment assets and liabilities are available for the assessment of performance and allocation of resources for the year as in the opinion of the directors, the cost to develop it would be excessive. The CODM reviews the segment results of the Group as a whole to make decisions.

	<b>Manufacture and sales of camera products and related accessories business HK\$'000</b>	<b>Operation of AI vending machines HK\$'000</b>	<b>For the six months ended 30 June 2023 HK\$'000</b>
Revenue from external customers	138,863	4,077	142,940
Cost of sales	<u>(121,206)</u>	<u>(1,934)</u>	<u>(123,140)</u>
Segment results	17,657	2,143	19,800
Other income and gains			8,383
Share of loss of an associate			(95)
Finance costs			(836)
Unallocated expenses			(76,819)
Income tax expense			<u>–</u>
Loss for the period			<u><b>(49,567)</b></u>

	<b>Manufacture and sales of camera products and related accessories business HK\$'000</b>	<b>Operation of AI vending machines HK\$'000</b>	<b>For the six months ended 30 June 2022 HK\$'000</b>
Revenue from external customers	264,630	–	264,630
Cost of sales	<u>(221,290)</u>	<u>–</u>	<u>(221,290)</u>
Segment results	43,340	–	43,340
Other income and gains			19,535
Share of profit of an associate			67
Finance costs			(986)
Unallocated expenses			(63,524)
Income tax expense			<u>–</u>
Loss for the period			<u><b>(1,568)</b></u>

## Geographical information

### (a) Revenue from external customers

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
European Union	73,134	88,009
United States of America	32,618	130,345
Mainland China	25,790	32,589
Other countries/regions	11,398	13,687
	<u>142,940</u>	<u>264,630</u>

The revenue information above is based on the locations of the customers.

### (b) Non-current assets

	30 June	31 December
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Mainland China	44,460	65,373
Hong Kong	892	1,580
Other countries/regions	16,413	11,092
	<u>61,765</u>	<u>78,045</u>

The non-current assets information above is based on the locations of the assets and excludes financial instruments, investment in an associate and provisional goodwill.

## Information about major customers

Revenue derived from sales to individual customers, which accounted for 10% or more of the total revenue, is set out below:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	57,394	77,181
Customer B	13,201	64,796
	<u>70,595</u>	<u>141,977</u>

## 5. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers</b>		
<b>Type of goods or services</b>		
Sale of industrial products	<b>138,395</b>	257,720
Sale of goods through AI vending machines	<b>4,077</b>	–
Provision of manufacturing services	<b>468</b>	6,910
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>142,940</b>	264,630
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>142,940</b>	264,630
	<hr/>	<hr/>

The performance obligation for sale of industrial products is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The performance obligation for sale of goods through AI vending machines is satisfied upon delivery of the retail products and payment is due on delivery.

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interests on:		
Bank borrowings	<b>288</b>	152
Lease liabilities	<b>548</b>	834
	<hr/>	<hr/>
	<b>836</b>	986
	<hr/>	<hr/>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
— PRC Corporate Income Tax (“CIT”)	—	17

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one (2022: one) subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income. Preferential tax treatments were available for two (2022: one) of the Group’s principal operating subsidiaries, Sky Light Electronics (Shenzhen) Limited and 西安天睿軟件有限公司, since they were recognised as High and New Technology Enterprises and entitled to a preferential tax rate of 15% during the reporting period.

The Group’s subsidiaries in the United States of America are subject to the federal tax at a rate of 21% (2022: 21%), and also subject to the statutory applicable state corporate income tax at a rate of 7% (2022: 8.84%).

The Group’s subsidiary in the United Kingdom is subject to corporate income tax at a rate of 19% (2022: 19%).

The Group’s subsidiary in Vietnam is subject to corporate income tax at a rate of 20% (2022: 20%). Pursuant to the relevant laws and regulations in Vietnam, entities in Vietnam engaged in qualified investment projects are eligible for Vietnam CIT exemption for the first year to the second year, and a 50% reduction for the third year to the sixth year starting from the year in which the entities first generate income from the investment projects, on the assessable profits from such investment projects.

## 8. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold	<b>123,140</b>	221,290
Depreciation of property, plant and equipment	<b>8,141</b>	7,090
Depreciation of right-of-use assets	<b>8,126</b>	8,119
Amortisation of intangible assets <sup>(i)</sup>	<b>2,179</b>	1,007
Research and development expenses	<b>19,893</b>	23,498
Employee benefit expense (excluding directors' and chief executive's remuneration):		
— Wages and salaries	<b>41,311</b>	60,679
— Pension scheme contributions <sup>(ii)</sup>	<b>3,092</b>	4,618
— Equity-settled share-based payments	<b>–</b>	96
	<b>44,403</b>	65,393
Allowance for inventories	<b>16,505</b>	8,031
Reversal of allowance for inventories <sup>(iii)</sup>	<b>(7,888)</b>	(29,741)
Reversal of allowance for inventories, net (included in cost of inventories sold)	<b>8,617</b>	(21,710)
Impairment losses of trade and factoring receivables	<b>2,555</b>	620
Exchange gains, net	<b>(7,384)</b>	(6,570)
(Gain)/loss on disposals of property, plant and equipment	<b>(230)</b>	204
Gain on disposal of non-current asset classified as held for sale	<b>–</b>	(10,790)
Other payables written off	<b>–</b>	(173)

*Note:*

- (i) The amortisation of software is included in “Research and development expenses” and the amortisation of other intangible assets is included in “Selling and distribution expenses” in the condensed consolidated statement of profit or loss.
- (ii) The Group contributes to defined contribution retirement plans which are available for eligible employees in the People's Republic of China (the “PRC”) and Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the “PRC Retirement Schemes”). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group operates a Mandatory Provident Fund scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the six months ended 30 June 2023 and 2022, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 30 June 2023 and 31 December 2022 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

- (iii) The reversal of allowance for inventories for both periods was mainly resulted from the utilisation of the inventories of which allowance had previously been provided.

## 9. DIVIDEND

The Directors do not recommend the payment of any interim dividend during the period (six months ended 30 June 2022: Nil).

## 10. (LOSS)/PROFIT PER SHARE

The calculation of basic and diluted (loss)/profit per share is based on the following:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<i>HK\$’000</i>	<i>HK\$’000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>(Loss)/profit</b>		
(Loss)/profit for the purpose of calculating basic and diluted (loss)/profit per share	<u><b>(39,030)</b></u>	<u>1,611</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/profit per share	<u><b>984,004,122</b></u>	<u>952,739,455</u>

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2023 in respect of a dilution as the impact of the share option schemes had an antidilutive effect on the basic loss per share amounts presented.

## 11. TRADE AND FACTORING RECEIVABLES

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>44,599</b>	25,779
Impairment losses	<b>(10,099)</b>	(7,538)
	<b>34,500</b>	18,241
Factoring receivables	<b>26,815</b>	11,423
Impairment losses	<b>(145)</b>	(151)
	<b>26,670</b>	11,272
	<b>61,170</b>	29,513

The general credit terms of the Group granted to its customers range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The Group has entered into receivable purchase arrangements with a bank for the factoring of trade receivables with a designated customer. As at 30 June 2023, trade receivables factored to the bank aggregated to HK\$26,815,000 (At 31 December 2022: HK\$11,423,000).

The ageing analysis of the trade and factoring receivables as at the end of the reporting period, based on the invoice date and net of impairment losses, is as follows:

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>50,856</b>	20,837
1 to 2 months	<b>3,049</b>	716
2 to 3 months	<b>172</b>	167
Over 3 months	<b>7,093</b>	7,793
	<b>61,170</b>	29,513

## 12. PLEDGED BANK DEPOSITS

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Pledged bank deposits	<u>2,743</u>	<u>2,729</u>

The Group's pledged bank deposits represented deposits pledged to a bank to secure banking facilities granted to the Group as set out in note 14 to this announcement.

## 13. TRADE PAYABLES

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables	<u>67,800</u>	<u>64,963</u>

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

	<b>30 June 2023</b>	31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 1 month	37,686	31,030
1 to 2 months	14,104	13,022
2 to 3 months	6,016	8,486
Over 3 months	<u>9,994</u>	<u>12,425</u>
	<u>67,800</u>	<u>64,963</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 150 days.

## 14. INTEREST-BEARING BANK BORROWINGS

		<b>30 June 2023</b>	31 December 2022
	<i>Note</i>	<b>HK\$'000</b> <b>(Unaudited)</b>	<b>HK\$'000</b> <b>(Audited)</b>
Bank loans — secured	<i>(ii)</i>	<b>4,307</b>	8,035
Factoring loans — secured	<i>(iii)</i>	<b>17,031</b>	—
		<b>21,338</b>	8,035
The borrowings are repayable as follows:			
Within one year		<b>21,338</b>	8,035

### *Note:*

- (i) The Group's banking facilities amounting to HK\$46,512,000 (At 31 December 2022: HK\$46,390,000), of which HK\$21,338,000 (At 31 December 2022: HK\$8,035,000) had been utilised as at the end of the reporting period.
- (ii) The bank loans were secured by the pledge of the Group's life insurance policy and bank deposits, personal guarantee executed by a controlling shareholder of the Company, corporate guarantees executed by a company controlled by the controlling shareholder of the Company and two subsidiaries of the Group respectively.
- (iii) Factoring loan of HK\$17,031,000 (At 31 December 2022: Nil) is secured by the pledge of the Group's factoring receivables.
- (iv) The secured bank and factoring loans carry effective interest rates ranging from 6.1% to 7.5% (At 31 December 2022: 1.5% to 6.0%) per annum.
- (v) All borrowings are denominated in the US\$.

## 15. CAPITAL COMMITMENTS

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

	<b>30 June 2023</b>	31 December 2022
	<b>HK\$'000</b> <b>(Unaudited)</b>	<b>HK\$'000</b> <b>(Audited)</b>
Contracted, but not provided for:		
Purchases of plant and machinery	<b>2,121</b>	2,219

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

Sky Light Holdings Limited (the “**Company**”), together with its subsidiaries (together, the “**Group**”), is principally engaged in manufacturing and sale of camera products and related accessories, and operating of artificial intelligence (“**AI**”) vending machines.

#### 1. *Camera products and related accessories business:*

For the six months ended 30 June 2023 (the “**2023 Interim**”), the Group’s camera products and related accessories business recorded a revenue of approximately HK\$138.9 million, representing a decrease of about 47.5% as compared to approximately HK\$264.6 million in the corresponding period in 2022 (the “**2022 Interim**”).

During the first half of 2023, the global demand for consumer electronics products remained weak, coupled with ongoing customer destocking, which significantly impacts the performance of the Group. The lifting of early-year pandemic-related restrictions facilitated smoother communication with overseas clients. The Group has initiated several new projects. However, it takes some time to make the new projects put into operation. The Group estimates the new projects will contribute to the Group’s performance in the second half of the year.

#### 2. *Retailing business through AI vending machines*

The Group acquired 51% of Wuhan Show Life Convenience Store Co., Ltd.\* (武漢秀生活便利店有限公司) (“**Wuhan Show Life**”), in November 2022. Wuhan Show Lift is engaged in retailing business through AI vending machines for selling food and beverage and is still in the early stage of development. For the 2023 Interim, the Group recorded a revenue of approximately HK\$4.1 million from retailing business through AI vending machines. The Group estimates the strategic cooperation between Wuhan Show Lift and one of the largest household appliance companies headquartered in the PRC and one of the largest property management companies in the PRC in April 2023 and June 2023, respectively, will facilitate the rapid and stable development of Wuhan Show Life and will contribute to the Group’s performance in the second half of 2023.

## Prospects

### 1. *Camera products and related accessories business:*

In 2023, deglobalization in the world, high inflation and high interest rates in America and the European Union will be the main challenge for the Group's camera products and related accessories business. In the 2023 Interim, the inventory backlog of the Group's customers still affected their needs from the products of the Group.

The lifting of early-year pandemic-related restrictions facilitated smoother communication with customers. The Group has initiated several new projects, which will begin scale production in August 2023 or later. The Group estimates its camera products and related accessories business will be improved in the second half of the year.

In order to improve its financial performance, the Group will strive to increase market share and provide customers with high-quality products and solutions through the following strategies:

- Continue to develop innovative products driven by the market and actively expand the products category;
- Work deeper in the main product lines of the Group in all aspect and strengthen the competitive advantages in the product categories;
- Strengthen the sales force; and
- Optimize the Group's operation and provide efficient service to customers.

### 2. *Retailing business through AI vending machines*

Wuhan Show Life will actively carry out strategic cooperation with more property management companies and place more AI vending machines in residential buildings, office buildings, hotels, schools, hospitals, sports centers and parks in China to increase sales revenue.

## Financial review

### Turnover

The Group's camera products and related accessories products mainly consist of the following three categories: (i) home surveillance cameras, (ii) digital imaging products, and (iii) other products. It generates revenue predominantly from sales of these products, as well as from other income, such as research and development ("R&D") service and tooling fees associated with products that it manufactures for customers. The Group is engaged in retailing business through AI vending machines for selling food and beverage. The following table sets out the breakdown of the revenue for the periods indicated:

	Six months ended 30 June				Revenue change
	2023		2022		
	<i>HK\$'000</i>	% of total revenue	<i>HK\$'000</i>	% of total revenue	
<b>Manufacturing business</b>					
<b>Sales of Products</b>					
Home surveillance cameras	<b>78,558</b>	<b>55.0%</b>	165,035	62.4%	(52.4%)
Digital imaging products	<b>31,112</b>	<b>21.8%</b>	50,442	19.0%	(38.3%)
Other products	<b>28,725</b>	<b>20.0%</b>	42,243	16.0%	(32.0%)
	<b>138,395</b>	<b>96.8%</b>	257,720	97.4%	(46.3%)
Manufacturing service income	<b>468</b>	<b>0.3%</b>	6,910	2.6%	(93.2%)
SUB-TOTAL	<b>138,863</b>	<b>97.1%</b>	264,630	100%	(47.5%)
<b>Retailing business through AI vending machines</b>					
Retailing income	<b>4,077</b>	<b>2.9%</b>	–	–	–
<b>TOTAL</b>	<b>142,940</b>	<b>100.0%</b>	264,630	100%	(46.0%)

For the 2023 Interim, the Group recorded a turnover of approximately HK\$142.9 million (2022 Interim: approximately HK\$264.6 million), representing a significant decrease of approximately 46.0% as compared to the 2022 Interim. This decrease was mainly attributable to the significantly decrease in the shipment units of home surveillance cameras.

The Group sells its camera products and related accessories products mainly to customers in the US and the European Union and food and beverage to customers in Mainland China. It is expected that the US and the European Union markets will continue to contribute the majority of the Group's revenue in the foreseeable future. The following table sets out the breakdown of revenue by location of customers for the periods indicated:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
European Union	<b>73,134</b>	88,009
United States of America	<b>32,618</b>	130,345
Mainland China	<b>25,790</b>	32,589
Other countries and areas	<b>11,398</b>	13,687
	<hr/>	<hr/>
Total	<b>142,940</b>	264,630
	<hr/>	<hr/>

#### *Cost of sales*

Cost of sales represents costs and expenses directly attributable to the manufacture of the Group's products which comprise (i) raw materials, components and parts, including, among others, key components such as digital signal processors, lenses and sensors; (ii) direct labour; and (iii) production overhead, mainly including depreciation of production equipment and indirect labour or purchasing costs.

For the 2023 Interim, cost of sales of the Group amounted to approximately HK\$123.1 million (2022 Interim: approximately HK\$221.3 million), representing a decrease of approximately 44.4% as compared to the 2022 Interim, and amounted to approximately 86.1% (2022 Interim: approximately 83.6%) of its turnover for the 2023 Interim. Cost of sales decrease was mainly due to the significantly decrease in the sales of the shipment units.

### *Gross profit and gross profit margin*

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>142,940</b>	264,630
Cost of sales	<b>(123,140)</b>	(221,290)
Gross profit	<b>19,800</b>	43,340
Gross profit margin	<b>13.9%</b>	16.4%

The Group recorded a gross profit of approximately HK\$19.8 million for the 2023 Interim (2022 Interim: approximately HK\$43.3 million), representing a decrease of approximately 54.3% as compared to the 2022 Interim. The gross profit margin decreased from approximately 16.4% for the 2022 Interim to approximately 13.9% for the 2023 Interim. This decrease was mainly due to the increase of costs caused by reversal and allowance for inventories, net (included in cost of inventories sold), resulting in a decrease in gross profit.

### *Other income and other gains and losses*

Other income and gains and losses mainly include (i) bank interest income; (ii) exchange gains/ (losses) arising mainly from fluctuations in exchange rate between the invoice and settlement dates of its sales and purchases and from translation of its US\$-denominated trade payables and receivables; (iii) government grants, which mainly consist of rewards and subsidies for research activities granted by the local government with no unfulfilled conditions or contingencies; and (iv) gains on the disposal of non-current asset classified as held for sales.

For the 2023 Interim, other income and other gains and losses of the Group significantly decreased to approximately HK\$8.4 million as compared to 2022 Interim of approximately HK\$19.5 million, which was primarily attributable to the decrease of approximately HK\$10.8 million on the gain on disposal of non-current asset classified as held for sales.

### *Selling and distribution expenses*

Selling and distribution expenses mainly include (i) salaries and benefits of its sales and marketing staff; (ii) transportation costs for delivery of products; (iii) marketing, exhibition and advertising costs; and (iv) entertainment expenses relating to its sales and marketing activities.

For the 2023 Interim, selling and distribution expenses of the Group significantly increased by approximately 44.3% to approximately HK\$20.3 million from approximately HK\$14.1 million for 2022 Interim. The increase was mainly due to increase of approximately HK\$6.4 million used in the retailing business through AI vending machines.

#### *Administrative expenses*

Administrative expenses mainly include (i) salaries and benefits of the Group's management, administrative and finance staff; (ii) rental and office expenses; (iii) professional fees; and (iv) entertainment expenses.

For the 2023 Interim, administrative expenses of the Group significantly increased by approximately 33.9% to approximately HK\$33.9 million from approximately HK\$25.3 million for the 2022 Interim. The increase was mainly due to the increase of approximately HK\$8.1 million used in the retailing business through AI vending machines.

#### *Research and development costs*

Research and development costs include (i) salaries and benefits of the Group's research and development and product planning staff; (ii) raw materials, components and parts used for research and development and product planning; and (iii) other miscellaneous costs and expenses such as rental fees, design service fees, depreciation and certification fees.

For the 2023 Interim, the Group recorded research and development costs of approximately HK\$19.9 million, which decreased by approximately 15.3% from approximately HK\$23.5 million for the 2022 Interim. The decrease was mainly due to the decrease of approximately HK\$3.3 million salaries and benefits of the Group's research and development staff.

#### *Other expenses*

Other expenses include principally (i) exchange losses arising mainly from fluctuations in exchange rates between the invoice and settlement dates of its sales and purchases and from translation of its US\$-denominated trade payables and receivables; and (ii) impairment losses of assets.

For the 2023 Interim, other expenses of the Group significantly increased to approximately HK\$2.7 million from approximately HK\$0.6 million for the 2022 Interim. The increase mainly consisted of the increase of approximately HK\$1.9 million allowance for bad debts.

### *Finance costs*

For the 2023 Interim, the finance costs of the Group slightly decreased to approximately HK\$0.8 million (2022 Interim: approximately HK\$1.0 million).

### *Net loss*

As a result of the foregoing, the Group recorded a loss of approximately HK\$49.6 million for the 2023 Interim (attributable to non-controlling interests was a loss of approximately HK\$10.5 million).

### *Liquidity and capital resources*

The Group's principal cash requirements are to pay for working capital needs, capital expenditures for the expansion and upgrade of production facilities. The Group meets these cash requirements by relying on cash flows generated from operating activities and proceeds from issue of shares as its principal sources of funding. The following table sets out its selected consolidated cash flow for the periods indicated:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net cash flows (used in) /generated from operating activities	<b>(60,497)</b>	5,612
Net cash flows (used in) /generated from investing activities	<b>(16,323)</b>	12,905
Net cash flows generated from/ (used in) financing activities	<b>71,427</b>	(13,867)
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	<b>(5,393)</b>	4,650
Cash and cash equivalents at beginning of period	<b>81,447</b>	96,188
Effect of foreign exchange rate changes	<b>(8,764)</b>	(9,982)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	<b>67,290</b>	90,856
	<hr/>	<hr/>

Net cash used in operating activities for the 2023 Interim was approximately HK\$60.5 million, which primarily reflected (i) the loss before tax of approximately HK\$49.6 million; (ii) the decrease in inventories of approximately HK\$75.2 million; (iii) the increase in trade receivables of approximately HK\$29.1 million; and (iv) the increase in prepayments and other receivables of approximately HK\$16.7 million.

Net cash used in investing activities for the 2023 Interim was approximately HK\$16.3 million. This mainly consisted of purchases of property, plant and equipment approximately HK\$16.5 million.

Net cash generated from the financing activities for the 2023 Interim was approximately HK\$71.4 million, which was mainly reflected (i) the net loans of bank borrowing of approximately HK\$13.3 million; and (ii) the net proceeds from issue of Shares of approximately HK\$67.8 million.

The Group's cash and cash equivalents were mainly denominated in US dollar ("US\$"), Hong Kong dollar ("HK\$"), Vietnamese Dong ("VN\$") and Renminbi ("RMB") as at 30 June 2023.

#### *Borrowings and the pledge of assets*

The Group's banking facilities amounting to approximately HK\$46.5 million as at 30 June 2023 (At 31 December 2022: approximately HK\$46.4 million), of which approximately HK\$21.3 million (At 31 December 2022: approximately HK\$8.0 million) had been utilised as at the end of the 2023 Interim.

The bank loans were secured by the pledge of the Group's life insurance policy and bank deposits, personal guarantee executed by a controlling shareholder of the Company, corporate guarantees executed by a company controlled by the controlling shareholder of the Company and two subsidiaries of the Group, respectively. The factoring loan of approximately HK\$17.0 million (At 31 December 2022: Nil) was secured by the pledge of the Group's factoring receivables.

The Group's bank borrowings are all denominated in US\$, the secured bank and factoring loans carry effective interest rates ranging from 6.1% to 7.5% (At 31 December 2022: 1.5% to 6.0%) per annum. All borrowings are repayable within one year.

### *Gearing ratio*

Gearing ratio is calculated by dividing total debt (which equals interest-bearing bank borrowings and lease liabilities) by total equity as at the end of each period. The Group's gearing ratio as at 31 December 2022 and 30 June 2023 was approximately 10.7% and approximately 27.2%, respectively. The increase in gearing ratio was primarily due to significantly increase in outstanding interest-bearing bank borrowings.

### *Capital expenditure*

During the 2023 Interim, the Group invested approximately HK\$18.2 million (2022 Interim: approximately HK\$2.1 million) in fixed assets and intangible assets.

### *Off balance sheet transactions*

During the 2023 Interim, the Group did not enter into any material off balance sheet transactions.

### *Foreign exchange exposure and exchange rate risk*

The Group has transactional currency exposure, which arises from sales in currencies other than the relevant operating units, that is, functional currencies. Approximately 85.5% and 76.8% of the Group's sales were denominated in currencies other than the functional currency of the operating units making the sales, whilst approximately 49.6% and 26.3% of inventory costs were denominated in their functional currencies for the 2022 Interim and the 2023 Interim, respectively.

During the 2023 Interim, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the 2023 Interim (2022 Interim: Nil). In addition, the Group did not have any foreign currency net investments which have been hedged by currency borrowing and other hedging investments.

### *Events after the reporting period*

There are no significant events affecting the Group which occurred after the reporting period of the 2023 Interim and up to the date of this announcement.

### *Treasury policies*

During the 2023 Interim, the Group did not have any investment under its treasury policies.

The Group has implemented its internal treasury investment policies since January 2015 (updated in December 2015), which provide the guidelines, requirements and approval process with respect to its treasury investment activities. It regularly evaluates the risks and returns of its wealth management products.

Under its treasury investment policies, the Group is only allowed to invest in wealth management products with the two lowest risk rating classified by the banks and debentures with ratings above “BBB” or “baa” or similar ratings. All the treasury products must also meet the following criteria: (i) be issued by well-recognised publicly- listed banks; (ii) no default history; and (iii) have a maturity term of less than one year or can be easily converted into cash in the market. Such treasury investment policies also provide that the outstanding balance of the Group’s wealth management products shall not exceed 50% of its total amount of cash and cash equivalents and wealth management products. Any plan to increase this limit must be approved by the Board. No single investment can exceed 35% of the total amount invested.

The Group has an experienced management team and strict procedures in place to ensure the wealth management products are purchased in compliance with its internal policies and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). The management, internal audit and the Board (including the independent non-executive Directors) regularly review its compliance with the treasury investment policies and assess the risk associated with these investments.

### *Employees and emoluments policy*

As at 30 June 2023, the Group employed a total of 950 employees (31 December 2022: 860). The staff costs of the Group, excluding directors' emoluments and any contributions to pension scheme, were approximately HK\$44.4 million for the 2023 Interim (2022 Interim: approximately HK\$65.3 million), none (2022 Interim: approximately HK\$0.1 million) of which are the expenses for the Company's share option schemes. All of the Group's employees are paid a fixed salary and a bonus depending on their performance as determined by quarterly assessments. The Group seeks to provide compensation for its research and development staff at above-market levels to attract and retain talents. It regularly reviews compensation and benefit policies to ensure that its practices are in line with the market and in compliance with relevant labour regulations. To provide its employees, among others, additional incentives to enhance its business performance, the Company has adopted a pre-IPO share option scheme and a share option scheme, under which grantees are entitled to exercise the options to subscribe for shares of the Company subject to the terms and conditions of the respective schemes.

### *Significant investments held*

The Group held 8.47% equity interest in a start-up company, Kandao Technology Co., Ltd (“**Kandao**”). The investment was acquired by the Group during the period from November 2016 to January 2017 at an initial amount of HK\$45.4 million.

Kandao was established on January 2016, which focuses on the technology and development of software and hardware for imaging electronics products. The main products includes 6-eye 8K resolution three-dimensional professional panoramic camera, 8K resolution consumer panoramic camera and 360-degree smart conference video.

Kandao's products have won the best innovation award in the Consumer Electronics Show of digital imaging category.

For the 2023 Interim, Kandao has strengthened the product promotion. It is expected that there will be a steady development trend in the next half year.

As at 30 June 2023, the investment accounted for 5.3% of the Group's total assets and the fair value of this investment held by the Group was approximately HK\$20.4 million (31 December 2022: approximately HK\$21.1 million) presenting approximately HK\$0.7 million unrealized loss for the 2023 Interim. No dividend was received from this investment during the 2023 Interim (2022 Interim: Nil).

The Board believes that imaging products and solutions will be widely used with different applications, especially in the upcoming 5G era.

The Group will continue to hold this unlisted equity investment for the following reasons:

- This investment still has potential growth in the future; and
- This investment has synergies with the Group's business and can widen sales channel.

Save as disclosed above, as at 30 June 2023, there was no an investment held by the Group with a value of 5% or more of the Company's total assets.

*Future plans for material investments or capital assets*

As at the date of this announcement, the Group did not have any plans for material investments or capital assets.

*Material acquisitions and disposals of subsidiaries, associates and joint ventures*

In order to respond prudently and actively utilizing the current idle production capacity of Sky Light Electronic Joint Stock Company (“**JSC**”), on 1 June 2023, Sky Light International (Vietnam) Limited (“**SL Vietnam**”) (the holding company of JSC and an indirect wholly-owned subsidiary of the Company, Sky Light Electronic Limited (天彩電子有限公司) (“**SL Electronic**”) and Tech Idea Limited (奧信有限公司) (“**Tech Idea**”) entered into a subscription agreement, pursuant to which, SL Electronic and Tech Idea have conditionally agreed to subscribe for, and SL Vietnam has conditionally agreed to allot and issue, 5,099 new shares in SL Vietnam (“**SLV Shares**”) and 4,900 new SLV Shares, respectively, at the subscription price of HK\$1.00 per new SLV Share (the “**June Subscription**”).

Upon completion of the June Subscription on 1 June 2023, SL Vietnam was held as to 51% by SL Electronic and as to 49% by Tech Idea, respectively. SL Vietnam was remained as a non-wholly owned subsidiary of the Company.

The SLV Shares allotted and issued under the June Subscription represent 99.99% of the issued share capital of SL Vietnam as enlarged by the June Subscription. The Group's interest in SL Vietnam was diluted from 100% to 51%, and the subscription of the 4,900 new SLV Shares by Tech Idea was regarded as a deemed disposal for the Company pursuant to Rule 14.29 of the Listing Rules.

For details of the above deemed disposal, please refer to the announcement of the Company dated 1 June 2023.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the 2023 Interim.

#### *Contingent liabilities*

As at 30 June 2023, the Group had no significant contingent liabilities (31 December 2022: Nil).

#### *Dividend*

The Board does not recommend the payment of interim dividend for the 2023 Interim (2022 Interim: Nil).

#### *Financial position as at 30 June 2023*

As at 30 June 2023, the Group's total equity was approximately HK\$171.9 million (31 December 2022: approximately HK\$289.8 million), total assets amounted to approximately HK\$387.5 million (31 December 2022: approximately HK\$541.7 million) and total liabilities stood at approximately HK\$215.6 million (31 December 2022: approximately HK\$251.8 million).

## **OTHER INFORMATION**

### **Purchase, sale or redemption of listed securities**

The Company is empowered by the applicable Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands and the articles of association of the Company to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange and the applicable laws of the Cayman Islands. Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the 2023 Interim.

## Corporate governance practices

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of the shareholders of the Company and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions (the “**Code provisions**”) of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the “**CG Code**”) as the basis of the Company’s corporate governance practices. Throughout the 2023 Interim, the Company has complied with all applicable code provisions of the CG Code except for Code Provision C.2.1.

Pursuant to Code Provision C.2.1 of the CG Code, the role(s) of chairman and chief executive should be separate and should not be performed by the same individual. As the duties of the chairman of the Board (“**Chairman**”) and the chief executive officer of the Company are performed by Mr. Tang Wing Fong Terry (“**Mr. Tang**”), the Company has deviated from Code Provision C.2.1. The Board considers that having Mr. Tang acting as both the Chairman and the chief executive officer of the Company will provide a strong and consistent leadership to the Company and allow for more effective planning and management for the Group. In view of Mr. Tang’s extensive experience in the industry, personal profile and critical role in the Group and its historical development, the Board considers that it is beneficial to the business prospects of the Group that Mr. Tang continues to act as both the Chairman and the chief executive officer of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

## **Model code for securities transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct governing its directors’ securities transactions. Specific enquiries have been made with all the Directors and they have confirmed that they have complied with the Model Code during the 2023 Interim.

The Company has also established written guidelines on terms no less exacting terms than the Model Code (the “**Employees Written Guidelines**”), for securities transactions by relevant employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the 2023 interim. In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

## **AUDIT COMMITTEE**

The Audit Committee consists of three members, being Ms. Lo Wan Man, Professor Jian Wang and Mr. Wong Wai Ming, all are independent non-executive Directors. Ms. Lo Wan Man currently serves as the chairlady of the Audit Committee.

The Group’s interim results for the 2023 Interim (the “**Interim Results**”) have been reviewed by all members of the Audit Committee. Based on such review, the Audit Committee was satisfied that the Group’s unaudited Interim Results were prepared in accordance with applicable accounting standards. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement for 2023 Interim has been published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<http://www.sky-light.com.hk>), respectively.

The interim report of the Company for the 2023 Interim containing all the relevant information required by the Listing Rules and the relevant laws and regulations will be despatched to the shareholders of the Company and available on above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our stakeholders and business partners for their ongoing support, and our Directors, management and employees for their dedication and contribution to our progress.

By order of the Board  
**Sky Light Holdings Limited**  
**Tang Wing Fong Terry**  
*Chairman*

Hong Kong, 29 August 2023

*As at the date of this announcement, the executive Directors are Mr. Tang Wing Fong Terry and Mr. Shan Chuanlong and the independent non-executive Directors are Mr. Wong Wai Ming, Professor Jian Wang and Ms. Lo Wan Man.*