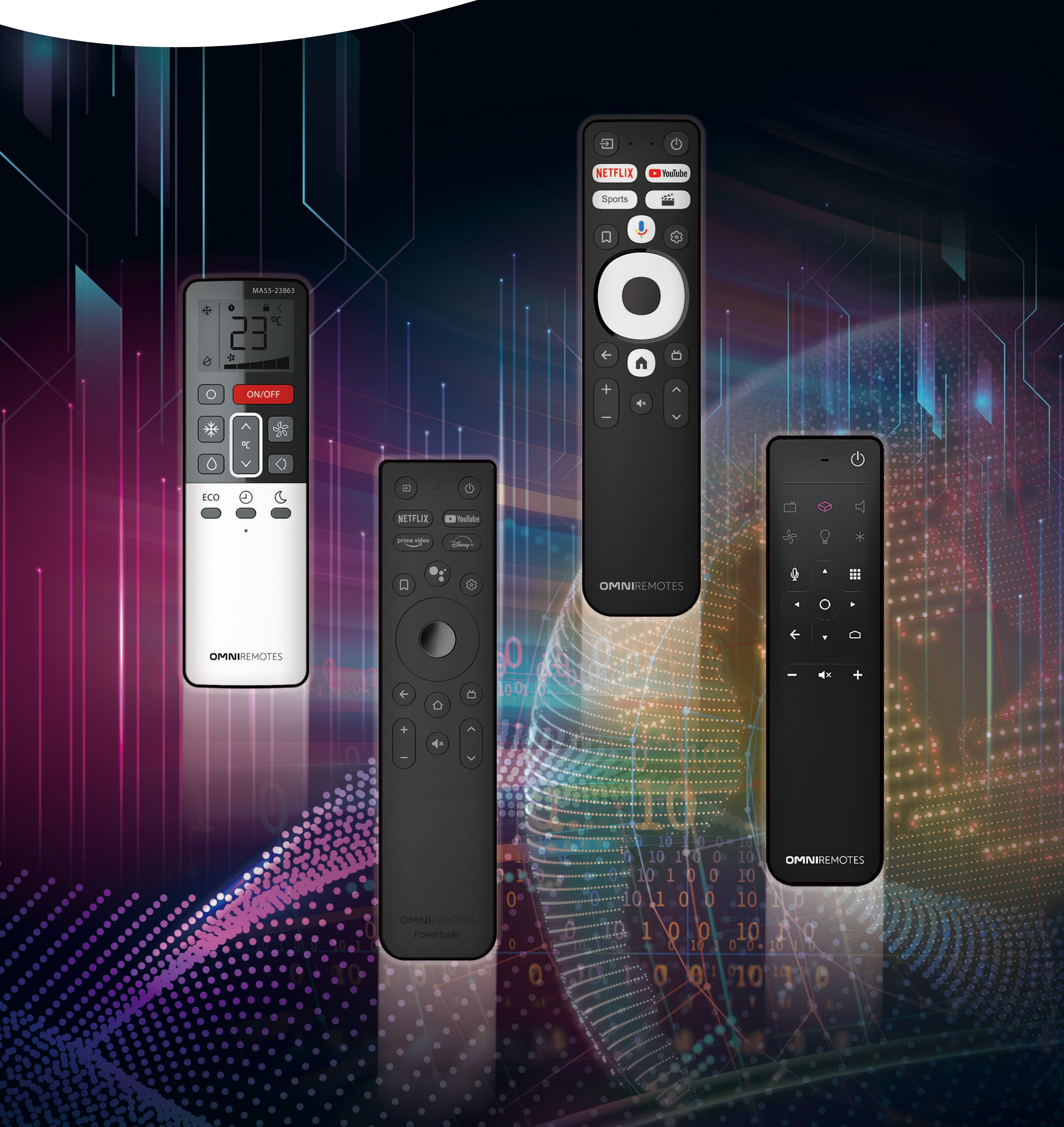
OMNI REMOTES

HOME CONTROL INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)
Stock Code : 1747

2023 INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Alain PERROT *(Chairman & Chief Executive Officer)*

Non-executive Directors

Mr. Wei ZHOU
Mr. Kwok King Kingsley CHAN

Independent Non-executive Directors

Ms. Keet Yee LAI
Mr. Werner Peter VAN ECK
Dr. Shou Kang CHEN

AUDIT COMMITTEE

Dr. Shou Kang CHEN *(Chairman)*
Mr. Werner Peter VAN ECK
Ms. Keet Yee LAI

REMUNERATION COMMITTEE

Dr. Shou Kang CHEN *(Chairman)*
Mr. Werner Peter VAN ECK
Mr. Kwok King Kingsley CHAN

NOMINATION COMMITTEE

Mr. Werner Peter VAN ECK *(Chairman)*
Mr. Alain PERROT
Ms. Keet Yee LAI

COMPANY SECRETARY

Ms. Sum Yi TSUI *ACG, HKACG*

AUTHORISED REPRESENTATIVES

Mr. Kwok King Kingsley CHAN
Ms. Sum Yi TSUI

REGISTERED OFFICE

Sertus Chambers, Governors Square
Suite #5-204
23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

151 Lorong Chuan
#04-03A
New Tech Park
Singapore 556741

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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33 Hysan Avenue, Causeway Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Sertus Incorporations (Cayman) Limited
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P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Citibank N.A. Singapore Branch
8 Marina View
#17-01 Asia Square Tower 1
Singapore 018960

LEGAL ADVISER TO THE COMPANY

As to Hong Kong law

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Suites 1101-1104, 11/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

STOCK CODE

1747

COMPANY'S WEBSITE

www.omniremotes.com

Management Discussion and Analysis

OVERVIEW

Home Control International Limited (the "Company", together with its subsidiaries, the "Group"), is a globally leading home control solution provider headquartered in Singapore with worldwide presence in North America, Europe, Asia and Latin America. Originally established as the home control division of Philips prior to the acquisition of the entire stake of Home Control Singapore Pte. Ltd. by the Company from Philips in April 2015, the Group has been operating in this industry for almost 30 years. Under the brand "Omni Remotes", the Group develops and offers high quality and bespoke remote controls for a vast array of pay television (TV) operators and consumer electronics brands. The products are shipped to over 40 countries, with a blue-chip customer base that includes AT&T Services Inc. in North America, Sky CP Limited, British Telecommunications PLC, Vodafone Group Services Limited, and Liberty Global Services B.V. in Europe, as well as Reliance Retail Limited, Bharti Airtel Limited, and Hisense Electric Co., Ltd. in Asia.

The Group maintains a strong focus on innovation, with over 200 invention patents and owning one of the most comprehensive Infrared (IR) and code databases in the world. Simple Setup, its intelligent multi-device control solution, has been deployed to dozens of customers in the pay television (TV) operator domain since its inception 5 years ago. The new cloud-enabled Simple Setup Hybrid, having launched with a major pan-European operator, is constantly generating meaningful field data to help improve the user experience. In addition, a new version of Simple Setup Hybrid for deployment with Smart TVs, has gone live with a leading TV brand.

The Company continues to invest in various remote control technologies, including in the areas of advanced user input, recognition and far field voice, filing new inventions in the area of artificial intelligence for personalized experience in various jurisdictions.

BUSINESS REVIEW

Due to the high customers inventories as a result of slower than expected economy recovery momentum worldwide, the Group's revenue for the six months ended 30 June 2023 came in at approximately US$50.2 million, representing a decrease of approximately 22.7% from approximately US$65.0 million in the same period in 2022.

The Company has taken and will continue to take steps in cost management for shareholder value and through operation cost control via automation. Due to challenging macro-economic factors, rising interest rates and US$2.0 million restructuring expenses, the Group has turned in an adjusted net profit of approximately US$0.5 million for the six months ended 30 June 2023 as compared to adjusted net profit of approximately US$3.2 million for the six months ended 30 June 2022.

PROSPECT AND OUTLOOK

The persistent and heightened worldwide inflation, the instability of the political and economic situation arising from the Russia-Ukraine conflict, and the risk of global recession are impacting the momentum of customer resumptions of new projects and consumer acquisitions. It is difficult to estimate the full impact given the dynamic nature of these circumstances. The Group will pay continuous attention to the situation, adhere to government measures and recommendations, continue to mitigate foreseeable risks with all sites and subsidiaries, and endeavor to operate with minimal impact on any function serving the business and the customers.

The Group will continue with its investments in research & development, sales force expansion into several adjacent spaces of the business, as well as improvements of its supply chain for its existing business. Its new digital automated production site located in the Hunan province of China has started mass production according to plan and is running at the planned capacity during the six months ended 30 June 2023.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 June 2023 decreased by approximately 22.7%, as compared to the six months ended 30 June 2022. This is mainly due to an approximate US$17.2 million decrease in revenue in the North America, Europe and Latin America region, partially offset by an approximate US$2.4 million increase in the revenue from Asia region.

The following table sets forth the breakdown of revenue of the Group by the geographical location of customers for the six months ended 30 June 2023 and 30 June 2022, respectively.

	For the six months ended 30 June 2023 (unaudited)		For the six months ended 30 June 2022 (unaudited)		Changes	
	US$'000	***%***	*US$'000*	*%*	*US$'000*	*%*
North America	**14,013**	**27.9**	17,652	27.2	(3,639)	(20.6)
Europe	**14,907**	**29.7**	26,931	41.4	(12,024)	(44.6)
Asia	**13,251**	**26.4**	10,850	16.7	2,401	22.1
Latin America	**8,075**	**16.0**	9,565	14.7	(1,490)	(15.6)
Total	**50,246**	**100.0**	64,998	100.0	(14,752)	(22.7)

Cost of Sales

The cost of sales of the Group mainly consists of components including finished goods from ODM (original design manufacturing), outsourcing and overheads. The cost of sales amounted to approximately US$39.0 million and approximately US$50.4 million for the six months ended 30 June 2023 and the six months ended 30 June 2022 respectively, representing approximately 77.5% and approximately 77.5% of the total revenue for the corresponding periods.

The following table sets forth the breakdown of the cost of sales for the six months ended 30 June 2023 and the six months ended 30 June 2022, respectively.

	For the six months ended 30 June 2023 (unaudited)		For the six months ended 30 June 2022 (unaudited)	
	US$'000	***%***	*US$'000*	*%*
Cost of Components	**32,274**	**82.9**	41,969	83.3
Outsourcing	**5,019**	**12.9**	6,246	12.4
Overheads	**1,660**	**4.2**	2,156	4.3
	38,953	**100.0**	50,371	100.0

Gross profit

As a result of the changes in revenue and cost of sales above, the Group's gross profit was approximately US$11.3 million for the six months ended 30 June 2023, which was lower than the gross profit of US$14.6 million for the six months ended 30 June 2022.

Other income

Other income of the Group was approximately US$0.1 million for the six months ended 30 June 2023 and 30 June 2022.

Selling and distribution expenses

Selling and distribution expenses of the Group were approximately US$1.0 million lower for the six months ended 30 June 2023, as compared to six months ended 30 June 2022. This is mainly due to an approximate US$1.0 million decrease in distribution costs.

Administrative expenses

Administrative expenses of the Group increased by approximately US$1.1 million from approximately US$5.0 million for the six months ended 30 June 2022 to approximately US$6.1 million for the six months ended 30 June 2023. The increase was mainly due to the reversal of information and technology service accrual of approximately US$1.1 million that occurred during six months ended 30 June 2022, but not for six months ended 30 June 2023.

Other expenses

Other expenses of the Group increased from approximately US$1.1 million for the six months ended 30 June 2022 to approximately US$3.2 million for the six months ended 30 June 2023. The increase was mainly due to approximately US$2.0 million increase in restructuring and severance costs incurred related to optimising the cost structure so as to maintain competitiveness of the Group in the current business environment.

Finance income and finance costs

Comparing to the six months ended 30 June 2022, net finance costs of the Group incurred during the six months ended 30 June 2023 increased by approximately US$0.5 million. The increase was mainly due to an approximate US$0.5 million increase in interest expenses.

Loss before tax

Loss before tax of the Group for the six months ended 30 June 2023 was approximately US$1.8 million which was approximately US$6.0 million lower than the profit before tax of approximately US$4.2 million for the six months ended 30 June 2022. This was mainly due to the changes of the profit and loss items mentioned above.

Income tax credit/(expense)

The Group's income tax expense decreased from approximately US$1.0 million for the six months ended 30 June 2022 to a tax credit of approximately US$0.3 million for the six months ended 30 June 2023. The income tax expense for the six months ended 30 June 2023 was lower mainly because of lower chargeable income for the six months ended 30 June 2023.

Loss for the period

As a result of the above, the Group recorded a loss of approximately US$1.5 million for the six months ended 30 June 2023, as compared to a net profit after tax of approximately US$3.2 million for the six months ended 30 June 2022.

Loss per share

The basic and diluted loss per share of the Group for the six months ended 30 June 2023 is US0.30 cents and US0.30 cents, respectively.

Non-IFRS measures

To supplement the interim condensed consolidated financial information of the Group prepared in accordance with the IFRSs, certain additional non-IFRSs financial measures (in terms of adjusted net profit) have been presented in this report. These unaudited non-IFRSs financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with the IFRSs. These non-IFRSs measures could provide additional information to investors and others in understanding and evaluating the interim condensed consolidated financial information of operations of the Group in the same manner as they help the management compare the financial results across accounting periods and with those of other peer companies. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The adjusted net profit ("Adjusted Net Profit") eliminates the effect of the non-recurring restructuring and severance costs incurred related to optimising the cost structure so as to maintain competitiveness of the Group in the current business environment. The term of Adjusted Net Profit is not defined under the IFRSs. The use of Adjusted Net Profit has material limitations as an analytical tool, as they do not include all items that impact the profit/loss for the relevant periods. The effect of items eliminated from the Adjusted Net Profit is a significant component in understanding and assessing the operating and financial performance of the Group.

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Reported Net (Loss)/Profit	**(1,489)**	3,193
Add: Restructuring and severance costs	**2,033**	12
Adjusted Net Profit	**544**	3,205

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2023, the Group had cash and cash equivalents of approximately US$12.8 million. The board (the "Board") of directors (the "Directors") of the Company is of the opinion that the financial position of the Group is strong and healthy, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

Cash flows

The following table sets forth a summary of the cash flows of the Group for the six months ended 30 June 2023 and 30 June 2022, respectively:

	For the six months ended	
	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	US$'000	*US$'000*
Net cash generated from/(used in) operating activities	**5,951**	(1,095)
Net cash used in from investing activities	**(501)**	(642)
Net cash (used in)/generated from financing activities	**(7,990)**	613
Net decrease in cash and cash equivalents	**(2,540)**	(1,124)
Cash and cash equivalents at beginning of the period	**15,317**	17,630
Effects of exchange rate changes on cash and cash equivalents	**17**	(185)
Cash and cash equivalents at end of the period	**12,794**	16,321

Net cash flow generated from operating activities

The Group generates cash from operating activities primarily from sales of goods. Cash flow from operating activities reflects loss before taxation for the six months ended 30 June 2023 adjusted for (i) non-cash item such as depreciation of property, plant and equipment, and amortization of intangible assets, plant and equipment and other items, which lead to the operating profit before changes in working capital; (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables and other items, which lead to cash generated from operations; and income tax paid and other items, which result in net cash generated from operating activities.

For the six months ended 30 June 2023, the Group's net cash generated from operating activities was approximately US$6.0 million, primarily due to (i) decrease in inventories of approximately US$3.2 million, increase in trade payables of approximately US$2.5 million; cash generated before working capital changes of approximately US$0.5 million and decrease in trade receivables of approximately US$1.7 million; partially offset by (ii) decrease of approximately US$0.7 million in other payables and accruals and net income tax paid of approximately US$1.0 million.

Net cash flow used in investing activities

Cash flow used in investing activities mainly relates to purchase of property, plant and equipment of US$0.5 million. For the six months ended 30 June 2023, the Group's net cash used in investing activities was approximately US$0.5 million.

Net cash flow used in financing activities

Cash flow used in financing activities mainly includes proceeds from interest-bearing bank loans and repayment of interest-bearing bank loans. For the six months ended 30 June 2023, the Group's net cash flow used in financing activities was approximately US$8.0 million, mainly attributable to an approximate US$6.8 million repayment of interest-bearing bank loans, an approximate US$0.9 million interest paid on loans, and repayment of principal and interest portions of lease obligations of approximately US$0.3 million.

NET CURRENT ASSETS

The Group's net current asset was approximately US$24.9 million as at 30 June 2023 and US$24.9 million as at 31 December 2022.

CAPITAL EXPENDITURE

The Group's capital expenditure consisted of purchase costs relating to property, plant and equipment. For the six months ended 30 June 2023, the Group's capital expenditure amounted to approximately US$0.5 million for the acquisition of property, plant and equipment.

Capital and investment commitments

As at 30 June 2023, the Group did not have any capital and investment expenditure contracted for as at the end of the reporting period but not recognised in the interim condensed consolidated financial information.

BANK LOANS AND CONTINGENT LIABILITIES

Bank loans

The Group's bank loans primarily consisted of short and long-term trade financing from bank loans. As at 30 June 2023 and 31 December 2022, the Group had approximately US$17.8 million and approximately US$24.5 million respectively from bank loans.

As at 30 June 2023, there was a floating charge over bank accounts of Home Control Singapore Pte. Ltd. to secure the Group's bank loans.

Contingent liabilities

As at 30 June 2023, the Group did not have any contingent liabilities and guarantees.

Gearing ratio

Gearing ratio equals total debt divided by the adjusted total assets of the Group. Total debt includes all interest-bearing bank loans and lease liabilities. Adjusted total assets excludes goodwill. The gearing ratios as at 30 June 2023 and 31 December 2022 are approximately 28.9% and approximately 35.7%, respectively.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by geographical segment based on the location of customers for the six months ended 30 June 2023 is set out in note 5 in the "Notes to Interim Condensed Consolidated Financial Information".

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 30 June 2023.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

CAPITAL STRUCTURE AND TREASURY POLICIES

The business activities of the Group are mainly financed by the share capital, interest-bearing bank loans and cash generated from the operating activities. As at 30 June 2023, the interest-bearing bank loans which were denominated in USD, at floating contractual interest rate, and maturing from 2023 up to 2026 was US$17.8 million (as at 31 December 2022: US$24.5 million). For details of the interest rates and maturity profile, please refer to note 17 in the "Notes to Interim Condensed Consolidated Financial Information". No additional share was issued during the six months ended 30 June 2023. Details of the movements in the Company's share capital are set out in note 18 in the "Notes to Interim Condensed Consolidated Financial Information". The Directors will continue to follow a prudent policy in managing the Group's financial resources such as cash with the objective of maintaining a strong and healthy liquidity position to ensure that the Group is placed to seize future growth opportunities as and when such opportunities appear. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations when the interest-bearing bank loans are denominated in USD and majority of the cash maintained by the Group is denominated in USD despite also denominated in various other currencies including Euro, Singapore Dollar, Renminbi and HKD. For details, please refer to the section headed "Foreign Exchange Risk Management" in this report below. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of the Group is United States Dollar. The sales of the Group are mainly denominated in U.S. Dollar while purchases are mainly denominated in U.S. Dollar or RMB (only in the case of sales and purchases in the PRC). In addition, the Group has its headquarters in Singapore and operating subsidiaries in the U.S., Belgium, the PRC and Brazil, of which overheads are settled in local currencies and therefore the Group is exposed to foreign exchange risks. Fluctuations in foreign exchange rates may be caused by various factors such as change in government policies, change in domestic and international economic and political conditions, and is always unpredictable. The Group had not entered into any agreements to hedge its exchange rate exposure, as the Group's results of operations has generally been partially mitigated by the natural offset of foreign currency receivables with foreign currency payables. Going forward, the Group expects that exchange rates of SGD, RMB and US$ will continue to fluctuate. Changes in the foreign exchange rates between the Group's functional currencies and reporting currency may have an adverse impact on the

Group's finance costs, sales and product margins, and may reduce the value of, and dividends payable on, the shares of the Company (the "Shares"). The Group's business and financial position may be materially and adversely affected. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

EMPLOYEES, REMUNERATION POLICY

As at 30 June 2023, the Group had 154 employees (31 December 2022: 178 employees). The employees benefit expense incurred during the six months ended 30 June 2023 was approximately US$6.7 million. As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the six months ended 30 June 2023. The Company adopted a stock option plan of the Company as approved by the Board on 1 May 2015 (the "Scheme") as incentive for eligible employees. As at 1 May 2022, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during six months ended 30 June 2023. As at 1 May 2022, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 (the "Share Award Scheme") in order to recognise the contributions of such selected grantees (the "Selected Grantees") and in driving the continuous business operation and development of the Group. The Share Award Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the 20 August 2020; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Share Award Scheme. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this report, to ten Selected Grantees pursuant to the Share Award Scheme. On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,379 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain Perrot, Chairman of the Board, an executive Director and Chief Executive Officer of the Company, and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,787 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. During the six months ended 30 June 2023, no Award Shares were granted. As at 30 June 2023, of the 5,016,337 Award Shares granted under the Share Award Scheme, 2,508,171 Award Shares remained unvested. The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this report, the Group had not entered into any off-balance sheet transactions.

USE OF PROCEEDS FROM LISTING

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 November 2019 (the "Listing Date") and the net proceeds raised from this initial public offering after deducting underwriting fees and other related listing expenses amounted to approximately HK$84.93 million (equivalent to approximately US$10.83 million) (the "IPO Proceeds").

As disclosed in the Company's annual report for 2022, the unutilised IPO Proceeds would be applied in the same manner as set out in the prospectus of the Company dated 31 October 2019 ("Prospectus") and were expected to be fully utilised by the end of year 2021 (the "Original Timeline"). However, due to the prolonged outbreak of COVID-19, the global economic environment has been unstable and has hindered business discussions and due diligence procedures, the Original Timeline has been delayed.

Based on the Directors' best estimation and assumption of future market conditions, the unutilised IPO Proceeds are expected to be fully utilised by 2024. Set out below is the Group's planned use and actual use of the IPO Proceeds as at 30 June 2023:

		Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2023	IPO Proceeds utilised during the six months ended 30 June 2023	Utilised IPO Proceeds up to 30 June 2023	Unutilised IPO Proceeds as at 30 June 2023	Expected timeline for the unutilised IPO Proceeds
		HK$'million	*US$'million*	*US$'million*	*US$'million*	*US$'million*	*US$'million*	
1	Strategic investments or acquisitions in the over-the-top ("OTT") system and/or smart home security products	23.01	2.93	2.93	–	–	2.93	The unutilised IPO Proceeds are expected to be fully utilised by 2024.
2	Repayment of bank borrowing	21.12	2.69	–	–	2.69	–	–
3	R&D and develop the products for OTT segment and extend product lines in smart home products	14.27	1.82	1.82	–	–	1.82	The unutilised IPO Proceeds are expected to be fully utilised by 2024.
4	Expansion of professional sales force to support business expansion	13.8	1.76	1.36	0.10	0.50	1.26	The unutilised IPO Proceeds are expected to be fully utilised by 2024.
5	Strengthen the supply chain management and investment by extending beyond the PRC	6.57	0.84	–	–	0.84	–	–
6	Working capital and general corporate purposes	6.16	0.79	0.79	–	–	0.79	The unutilised IPO Proceeds are expected to be fully utilised by 2024.
		84.93	10.83	6.90	0.10	4.03	6.80	

The Directors expect that the use of IPO Proceeds can bring further improvements to the Group's overall business performance.

The Directors will constantly evaluate the Group's business strategies and specific needs from time to time. As at the date of this report, the Directors are not aware of any material change to the planned use of IPO Proceed as set out in the Prospectus. Further announcement will be made if there are any changes on the use of proceeds as and when appropriate.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

EVENTS AFTER THE REPORTING PERIOD

No other significant events that require additional disclosures or adjustments occurred after the six months period ended 30 June 2023.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company (the "Shareholders"). The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders.

The Company has adopted a corporate governance policy with provisions no less exacting than the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules") and complied with all the applicable code provisions set out in the Corporate Governance Code throughout the six months ended 30 June 2023 except for the deviation as detailed below.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Mr. Alain Perrot is the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO"). The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code is acceptable in such circumstance. In addition, under the supervision of the Board which, apart from Mr. Alain Perrot being the executive Director, comprises two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.

Following the resignation of Mr. Edmond Ming Siang JAUW with effect from 3 February 2023, the Company had two independent non-executive Directors and each of the audit and nomination committees of the Board comprised only two members. Accordingly, the Company fails to meet the requirements set out in (i) rule 3.10(1) of the Listing Rules that the Company must have at least three independent non-executive Directors; (ii) rule 3.10A of the Listing Rules that the Company must appoint independent non-executive Directors representing at least one-third of the Board; (iii) rule 3.21 of the Listing Rules and paragraphs 2.1 and 2.2 of the Audit Committee Terms of Reference that the audit committee of the Board (the "Audit Committee") must comprise a minimum of three members and majority of its members must be independent non-executive Directors; and (iv) rule 3.27A of the Listing Rules and paragraph 2.1 of the Nomination Committee Terms of Reference that the nomination committee of the Board (the "Nomination Committee") must comprise a majority of independent non-executive Directors. Following the appointment of Ms. Keet Yee LAI as the independent non-executive Director with effect from 10 February 2023, the Company has fully complied with the requirements as set out in rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules, paragraphs 2.1 and 2.2 of the Audit Committee Terms of Reference and paragraph 2.1 of the Nomination Committee Terms of Reference. For details, please refer to the announcements of the Company dated 3 February 2023 and 10 February 2023.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

INTERIM DIVIDEND

The Board did not recommend to declare any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the model code for securities transactions by directors of the listed issuer as set out in Appendix 10 of the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors and relevant employees. Upon specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Model Code for the six months ended 30 June 2023.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

To gradually diversify the Group's lending relationships and to partially replace the existing loan facilities obtained prior to the Listing ("Existing Loan Facilities") with new loan facilities that offer lower borrowing cost and more flexible terms for a listed company, on 8 July 2020, the Company as borrower entered into a new facility agreement ("2020 Facility Agreement") with a bank (the "Bank") as lender in relation to facilities of up to US$6,000,000 (or its equivalent amount in other currencies) (the "2020 New Facility"). The Company and the Bank entered into a supplemental facility letter dated 28 June 2023 to further extend the maturity date of the 2020 New Facility to 30 June 2024. Other than that, all terms and conditions under the 2020 Facility Agreement remain unchanged. The purpose of the 2020 New Facility is for general working capital purposes.

Pursuant to the 2020 Facility Agreement, the Company undertakes, among others, that the controlling shareholder of the Company (the "Controlling Shareholder") shall maintain not less than 70% ownership of the Company. A breach of such undertaking will constitute an event of default under the 2020 Facility Agreement and all amounts (including principal and interest accrued thereon) due and owing by the Company to the Bank under the 2020 Facility Agreement shall become immediately due and payable by the Company without further demand.

As at 30 June 2023, there was no outstanding balance under the 2020 Facility Agreement.

On 23 February 2021, Home Control Singapore Pte. Ltd. (the "Borrower"), a wholly-owned subsidiary of the Company, as borrower entered into a new facility agreement ("2021 Facility Agreement") with a global bank (the ''Lender") in relation to a term loan facility in the aggregate amount of US$24,450,000 (the "2021 New Facility"). The 2021 New Facility has a term of 60 months from its utilization date. The purpose of the 2021 New Facility is to fully replace the Existing Loan Facilities with the 2021 New Facility that offer lower borrowing cost and more flexible terms for the subsidiary of a listed company.

As at 30 June 2023, US$17,950,000 remained outstanding under the 2021 Facility Agreement.

Pursuant to the 2021 Facility Agreement, a specific performance covenant is imposed on the Controlling Shareholder to hold at least 51% of the voting Shares of the Company.

Save as disclosed above, for the six-months ended 30 June 2023, there was no other loan agreement of the Company with covenants relating to specific performance of the Controlling Shareholders.

LOAN ARRANGEMENTS GRANTED TO ENTITIES

For the six months ended 30 June 2023, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

For the six months ended 30 June 2023, there was no pledge of Shares by the controlling shareholders of the Company.

BREACH OF LOAN AGREEMENTS

For the six months ended 30 June 2023, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the six months ended 30 June 2023, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 20 August 2020 (the "Adoption Date").

Any full-time employee, director or senior management of the Company or other members of the Group are eligible to participate in the Share Award Scheme.

The purpose of the Share Award Scheme is to (i) align the interests of eligible participants directly to those of the Shareholders through ownership of Shares; (ii) recognize the contributions made by the selected grantees (the "Selected Grantees") and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (iii) attract high-calibre employees for further development of the Group. Subject to any early termination as may be determined by the Board in accordance with the terms of the Share Award Scheme, the Share Award Scheme shall be effective for ten (10) years commencing from the Adoption Date. As at the date of this report, the remaining life of the Share Award Scheme was approximately seven years.

The Board shall not make any further award under the Share Award Scheme which will result in the number of Shares awarded by the Board thereunder representing in excess of 1.5% of the total issued Shares as at the Adoption Date or result in a breach of the public float of the Company falling below the minimum level required in the Listing Rules upon issuance of the Awarded Shares. On the basis of a total of 501,633,663 Shares in issue as at the Adoption Date, the maximum number of Shares permitted to be issued under the Share Award Scheme is 7,524,504 Shares, which represents approximately (but not more than) 1.50% of the total issued Shares as at the Adoption Date and represents approximately 1.49% of the total issued Shares as at the date of this report.

On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 award shares (the "Award Shares"), representing approximately 1.00% of the total issued Shares as at the date of the grant, at nil consideration under the Share Award Scheme of which (a) 2,382,760 Award Shares are granted to four connected Selected Grantees (being Mr. Alain Perrot, Chairman of the Board, an executive Director and Chief Executive Officer of the Company, and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) by way of the proposed allotment and issue of new Shares pursuant to specific mandate; and (b) not more than 2,633,577 Award Shares are granted to six non-connected Selected Grantees by way of the proposed allotted and issued of new Shares pursuant to general mandate.

Pursuant to the Share Award Scheme adopted in August 2020 and the purposes of the Share Award Scheme as stated in this section above, no amount is payable on application or acceptance of the Award Shares and no purchase price is payable for the Award Shares awarded, which is determined by the Board in its absolute discretion after taking into account that the purposes of the Share Award Scheme, as detailed above, are to incentivize and retain selected grantees, and attract talents to join the Group. As such, for those Award Shares awarded pursuant to the rules of the Share Award Scheme, the purchase price for Award Shares under the Share Award Scheme is nil.

At the extraordinary general meeting of the Company held on 12 November 2020, ordinary resolutions were passed in relation to the grant of Award Shares to the connected Selected Grantees and the grant of specific mandate to the Directors regarding the issue and allotment of 2,382,760 Award Shares to the connected Selected Grantees.

50% of the total Award Shares shall be vested on the second anniversary of the date of grant; and 50% of the total Award Shares shall be vested on the third anniversary of the date of grant. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period. As at 1 January 2023, of the 5,016,337 Award Shares granted under the Share Award Scheme, 2,508,171 Award Shares remained unvested. No Award Shares were vested and issued during the six months ended 30 June 2023.

On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,379 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain Perrot, Chairman of the Board, an executive Director and Chief Executive Officer of the Company, and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,787 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate.

As at 1 January 2023, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. During the six months ended 30 June 2023, no Share Awards were granted, and accordingly as at 30 June 2023, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. As at the date of this report, the total number of Shares available for issue under the Share Award Scheme is 5,016,338 Shares (representing approximately 1.0% of the total issued Shares as at the date of this report), of which (i) 2,508,167 Shares are available for issue in case of further grant of 2,508,167 Share Awards (representing approximately 0.5% of the total issued Shares as at the date of this report); and (ii) 2,508,171 Shares are available for issue upon vesting of 2,508,171 Award Shares granted on 5 October 2020 (representing approximately 0.5% of the total issued Shares as at the date of this report).

As at 30 June 2023, of the 5,016,337 Award Shares granted under the Share Award Scheme, 2,508,171 Award Shares remained unvested. There is no maximum entitlement for each eligible participant under the rules of the Share Award Scheme and as at the date of this report, no Selected Grantee has been granted Award Shares exceeding 1% of the issued share capital of the Company. No Award Shares were cancelled, forfeited, expired or lapsed during the six months ended 30 June 2023. Details of the outstanding Award Shares during the six months ended 30 June 2023 is as follows:

				Number of Award Shares			
Name of Grantees	Relationship with the Group	Date of Grant	Outstanding and unvested as at 1 January 2023	Granted during the period(2)	Vested during the period(1)(3)	Cancelled/ lapsed during the period	Outstanding and unvested as at 30 June 2023
Alain PERROT	Chairman of the Board, Executive Director and Chief Executive Officer	5 October 2020	627,042	–	–	–	627,042
Jean Paul L. ABRAMS	Director of a subsidiary of the Company	5 October 2020	125,409	–	–	–	125,409
Guat Beng NG (黃月明)	Director of certain subsidiaries of the Company	5 October 2020	188,113	–	–	–	188,113
Yuechun ZHU (朱閱春)	Director of certain subsidiaries of the Company	5 October 2020	250,817	–	–	–	250,817
Six non-connected selected grantees	Full-time employees of the Group	5 October 2020	1,316,790	–	–	–	1,316,790
Total			2,508,171	–	–	–	2,508,171

Notes:

1. The purchase price for the Award Shares vested on 5 October 2022 is nil. For all the 5,016,337 Award Shares granted on 5 October 2020, 50% of the Award Shares granted were vested on 5 October 2022 and the remaining 50% of Award Shares shall be vested on 5 October 2023.

2. The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The fair value of the shares granted is measured at the grant date at the market value of the shares and is determined using forward pricing model, adjusted for the exclusion of expected dividends to be received in the vesting period. The closing price immediately before the date of grant is not applicable and no review or approval on the grant of Share Awards were required by the remuneration committee as no Award Shares were granted during the six months ended 30 June 2023.

3. The weighted closing price immediately before the vesting date is not applicable because no Award Shares shall be vested during the six months ended 30 June 2023.

As disclosed above, as at 1 January 2023, an aggregate of 2,508,171 Award Shares were outstanding and unvested, and hence the number of shares that may be issued in respect of options and awards granted under all schemes of the Company, being all Award Shares granted under the Share Award Scheme, divided by the weighted average number of the Shares in issue is 0.5% during the six months ended 30 June 2023. Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with Award Shares granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.

The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

CHANGE IN THE DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Ms. Keet Yee LAI ("Ms. LAI"), has been appointed as an independent non-executive Director with effect from 10 February 2023, in succession to Mr. Edmond Ming Siang JAUW who has resigned on 3 February 2023 due to his decision to devote more time on his other businesses.

- Ms. LAI is appointed as a member of the Nomination Committee and a member of the Audit Committee, with effect from 10 February 2023.

- Mr. Kwok King Kingsley CHAN has resigned from Morgan Stanley Asia Limited effective from 28 July 2023 and has resigned as a non-executive director of IVD Medical Holding Limited (stock code: 1931), the shares of which are listed on the Main Board of the Stock Exchange, due to his work adjustments effective from 17 August 2023.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND LONG POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares or underlying Shares (Note 1)	Approximate percentage of interest in the Company (Note 1)
Alain PERROT (Note 2)	Beneficial owner	1,254,084 (L)	0.25%

Notes:

1. As at 30 June 2023, the Company issued 504,141,829 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

2. The 1,254,084 Award Shares were conditionally granted to Mr. PERROT on 5 October 2020 pursuant to the Share Award Scheme of the Company. The grant and vesting of Award Shares are subject to the terms and conditions of the Share Award Scheme. During the year ended 31 December 2022, 627,042 Award Shares were vested to Mr. PERROT on 5 October 2022 in accordance with the terms and conditions of the Share Award Scheme. As at the date of this report, 627,042 remained unvested. For details, please refer to the paragraph headed "Share Award Scheme" in this report.

(ii) Interest in associated corporation

Name of Director	Name of associated corporation	Nature of Interest	Number of shares interested (Note 1)	Approximate percentage of interest in the associated corporation
Alain PERROT(Note 2)	Omni Remotes do Brasil Ltda	Beneficial owner	100	1%
	NHPEA IV Home Control Netherlands B.V. ("NHPEA")	N/A(Note 2)	N/A(Note 2)	N/A(Note 2)

Notes:

(1) All interests stated are long positions.

(2) Mr. Alain PERROT's interest in NHPEA is a cash-settled derivative interest in NHPEA by way of an agreement between him and Morgan Stanley Private Equity Asia IV, L.L.C..

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 30 June 2023, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Nature of interest	Number of Shares or underlying Shares (Note 1)	Approximate percentage of shareholding (Note 1)
Morgan Stanley	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
MS Holdings Incorporated	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
Morgan Stanley Private Equity Asia IV, Inc.	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
Morgan Stanley Private Equity Asia IV, L.L.C.	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
North Haven Private Equity Asia IV, L.P.	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
North Haven Private Equity Asia IV Holdings Limited	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
NHPEA IV Holding Cooperatief U.A.	Interest of controlled corporation	375,000,000 (L) (Notes 2 and 3)	74.38%
NHPEA	Beneficial owner	375,000,000 (L) (Notes 2 and 3)	74.38%

Notes:

1. As at 30 June 2023, the Company issued 504,141,829 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

2. Such 375,000,000 Shares belong to the same batch of Shares.

3. Pursuant to section 336 of the SFO, if certain conditions are met, the shareholders of the Company are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

REVIEW OF FINANCIAL INFORMATION BY THE AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this report, the Audit Committee consists of the three independent non-executive Directors, namely, Dr. Shou Kang CHEN, Mr. Werner Peter VAN ECK and Ms. Keet Yee LAI.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 and has confirmed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group and this report. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

Review Report of Interim Financial Information

Report on Review of Interim Financial Information
To the Board of Directors of Home Control International Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 54, which comprises the interim condensed consolidated statement of financial position of Home Control International Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2023 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and selected 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 International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information 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.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
18 August 2023

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Revenue	6	**50,246**	64,998
Cost of Sales		**(38,953)**	(50,371)
Gross Profit		**11,293**	14,627
Other Income	6	**77**	106
Selling and distribution expenses		**(2,986)**	(3,996)
Administrative expenses		**(6,076)**	(5,024)
Impairment loss of trade receivables		**(29)**	(82)
Other expenses		**(3,189)**	(1,083)
Finance income	7	**–**	74
Finance costs	7	**(923)**	(448)
(Loss)/profit before tax	8	**(1,833)**	4,174
Income tax credit/(expense)	9	**344**	(981)
(Loss)/profit for the period and attributable to owners of the Company		**(1,489)**	3,193
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(10)**	(176)
Other comprehensive loss		**(10)**	(176)
Total comprehensive (loss)/income for the period and attributable to owners of the Company		**(1,499)**	3,017
(Loss)/earnings per share for profit attributable to owners of the company:			
Basic	19	**US (0.30) cents**	US0.64 cents
Diluted	19	**US (0.30) cents**	US0.63 cents

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

Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) *US$'000*	31 December 2022 (Audited) *US$'000*
ASSETS			
Non-current asset			
Property, plant and equipment and right-of-use assets	*10*	**3,525**	4,338
Other intangible assets		**21**	31
Goodwill	*11*	**8,877**	8,877
Deferred tax assets		**405**	–
Financial assets at amortised costs	*12*	**–**	3,229
Total non-current assets		**12,828**	16,475
Current assets			
Inventories		**14,148**	17,466
Trade receivables	*13*	**28,658**	30,338
Prepayments and other receivables	*14*	**841**	771
Financial assets at amortised costs	*12*	**3,229**	–
Cash and cash equivalents	*15*	**12,794**	15,317
Total current assets		**59,670**	63,892
Total assets		**72,498**	80,367
LIABILITIES			
Current liabilities			
Trade payables	*16*	**27,024**	24,572
Other payables and accruals		**3,053**	3,772
Interest-bearing bank loans	*17*	**3,534**	8,534
Lease liabilities		**490**	549
Provisions		**–**	54
Tax payables		**694**	1,529
Total current liabilities		**34,795**	39,010
Net current assets		**24,875**	24,882
Total assets less current liabilities		**37,703**	41,357

	Notes	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Non-current liabilities			
Interest-bearing bank loans	17	**14,239**	16,006
Lease liabilities		**125**	397
Provisions		**396**	402
Deferred tax liabilities		**106**	248
Total non-current liabilities		**14,866**	17,053
Net assets		**22,837**	24,304
EQUITY			
Share capital	18	**5,042**	5,042
Reserves		**17,795**	19,262
Total equity		**22,837**	24,304

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

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company								
	Share capital US$'000	Share premium* US$'000	Statutory reserve* US$'000	Retained profits US$'000	Share award reserve* US$'000	Employee Share option reserve* US$'000	Exchange fluctuation reserve* US$'000	Capital reserve* US$'000	Total US$'000
At 1 January 2023	**5,042**	**7,830**	**47**	**7,990**	**155**	**–**	**(380)**	**3,620**	**24,304**
Loss for the period	–	–	–	(1,489)	–	–	–	–	(1,489)
Other comprehensive loss for the period:									
Exchange differences related to foreign operations	–	–	–	–	–	–	(10)	–	(10)
Total comprehensive loss for the period	–	–	–	(1,489)	–	–	(10)	–	(1,499)
Share award scheme arrangements	–	–	–	–	32	–	–	–	32
At 30 June 2023 (Unaudited)	**5,042**	**7,830**	**47**	**6,501**	**187**	**–**	**(390)**	**3,620**	**22,837**

	Attributable to owners of the Company								
	Share capital US$'000	Share premium* US$'000	Statutory reserve* US$'000	Retained profits US$'000	Share award reserve* US$'000	Employee Share option reserve* US$'000	Exchange fluctuation reserve* US$'000	Capital reserve* US$'000	Total US$'000
At 1 January 2022	5,017	9,573	47	2,845	220	570	(321)	3,620	21,571
Profit for the period	–	–	–	3,193	–	–	–	–	3,193
Other comprehensive loss for the period:									
Exchange differences related to foreign operations	–	–	–	–	–	–	(176)	–	(176)
Total comprehensive income/(loss) for the period	–	–	–	3,193	–	–	(176)	–	3,017
Share award scheme arrangements	–	–	–	–	75	–	–	–	75
Final 2021 dividends declared *(Note 20)*	–	–	–	(1,903)	–	–	–	–	(1,903)
At 30 June 2022 (Unaudited)	5,017	9,573	47	4,135	295	570	(497)	3,620	22,760

* These reserve accounts comprise the consolidated reserves of US$17,795,000 (2022: US$17,743,000) in the consolidated statement of financial position as at 30 June 2023.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Cash flows from operating activities			
(Loss)/profit before tax		**(1,833)**	4,174
Adjustments for:			
– Depreciation of property, plant and equipment	8	**1,005**	1,185
– Depreciation of right-of-use assets	8	**274**	274
– Amortisation of other intangible assets	8	**10**	14
– Amortisation of loan arrangement fee and facility and legal fee	7	**33**	33
– Share award scheme expenses	8	**32**	75
– Loss on disposal of property, plant and equipment	8	**4**	–
– Interest expenses	7	**890**	415
– Interest income from bank deposits	6	**(32)**	(1)
– Interest income from financial assets at amortised costs	7	**–**	(74)
– Reversal of IT service accrual	8	**–**	(1,074)
– Impairment loss on financial assets	13	**29**	82
– Provision for inventories	8	**98**	107
– Effect of exchange rate changes		**5**	27
		515	5,237
Change in working capital:			
– Decrease in inventories		**3,220**	3,429
– Decrease in trade receivables		**1,651**	7,057
– (Increase)/Decrease in prepayment and other receivables		**(70)**	6
– Increase/(Decrease) in trade payables		**2,452**	(16,124)
– Decrease in other payables and accruals		**(719)**	(283)
– Decrease in provisions		**(60)**	(47)
Cash generated from/(used in) operating activities		**6,989**	(725)
Income tax paid		**(1,038)**	(370)
Net cash generated from/(used in) operating activities		**5,951**	(1,095)
Cash flows from investing activities			
Purchases of property, plant and equipment	10	**(533)**	(631)
Purchases of other intangible assets		**–**	(12)
Interest received		**32**	1
Net cash used in investing activities		**(501)**	(642)

	Note	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Cash flows from financing activities			
Proceeds from interest-bearing bank loans		–	2,500
Repayment of interest-bearing bank loans		(6,800)	(1,200)
Principal portion of lease payments		(300)	(272)
Interest portion of lease liabilities		(17)	(16)
Interest paid		(873)	(399)
Net cash (used in)/generated from financing activities		(7,990)	613
Net decrease in cash and cash equivalents		(2,540)	(1,124)
Cash and cash equivalents at beginning of period		15,317	17,630
Effects of exchange rate changes on cash and cash equivalents		17	(185)
Cash and cash equivalents at end of period	15	12,794	16,321

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2023

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the provision of solutions for sensing and control technologies marketed in the smart home automation, consumer electronics and set-top-box segments.

The Shares of the Company have been listed on the Main Board of the Stock Exchange since the listing date on 14 November 2019.

The immediate holding company of the Company is NHPEA IV Home Control Netherlands B.V., which is incorporated in the Netherlands and the ultimate holding company of the Company is Morgan Stanley, which is listed on the New York Stock Exchange and is incorporated in the United States of America.

This interim condensed consolidated financial information is presented in thousands of unit of United States Dollars ("US$'000"), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board on 18 August 2023.

This interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing this unaudited interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

Taxes on income for the six-month periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The interim condensed consolidated financial information has been prepared under the historical cost convention.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the new standards and amendments to its existing standards which are relevant to the Group's operations and are applicable to the Group's accounting periods beginning on 1 January 2023. The Group has adopted all the new and revised standards, amendments and interpretations that are relevant to the Group's operations and mandatory for annual period beginning 1 January 2023. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's current and prior years' results or financial position.

The Group has adopted the following revised IFRSs for the first time for annual period beginning 1 January 2023

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

Standards and amendments which are not yet effective and not early adopted

Amendments to IAS 1(1)	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1(1)	*Non-current Liabilities with Covenants*
Amendments to IFRS 16(1)	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 7 and IFRS 7(1)	*Supplier Finance Arrangement*
Amendments to IFRS 10 and IAS 28(2)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

(1) Effective for annual periods beginning 1 January 2024
(2) New effective date to be determined

The Group is assessing the full impact of these new and amended standards, interpretation and accounting guideline. Some of them may give rise to change in presentation, disclosure and measurements of certain items on the Group's results of operations and financial position, but the impacts are not expected to be significant.

4. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has determined that the carrying amounts of cash and cash equivalents, trade receivables, financial assets at amortised cost, financial assets included in prepayments and other receivables, trade payables, financial liabilities included in other payables and accruals, dividend payable, current portion of interest-bearing bank loans, reasonably approximate to their fair values because these financial instruments are mostly short term in nature. The carrying amounts of long-term interest-bearing bank loans, which incur interest at floating interest rates, also approximate to their fair values as the interest rate is periodically adjusted to the market rate.

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

5. OPERATING SEGMENT INFORMATION

An operating segment, in part, is a component of an enterprise whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance. Operating segments may be aggregated only to a limited extent. Management reviews the financial information about revenues and operating results as a whole for purpose of making operating decisions and assessing financial performance. Accordingly, the Group only has a single operating and reportable segment. Therefore, no further information about the operating segment is presented other than the entity-wide disclosures.

5. OPERATING SEGMENT INFORMATION (Continued)

Entity-wide Disclosures

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
North America	**14,013**	17,652
Europe	**14,907**	26,931
Asia	**13,251**	10,850
Latin America	**8,075**	9,565
	50,246	64,998

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

(b) Non-current assets

	30 June 2023	31 December 2022
	US$'000	*US$'000*
	(Unaudited)	(Audited)
North America	**15**	30
Europe	**99**	183
Asia	**3,432**	4,156
	3,546	4,369

The non-current asset information above is based on the locations of the non-current assets and excludes financial assets at amortised costs and goodwill.

5. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2023 and 2022 is set out below:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Customer 1	**N/A***	12,267
Customer 2	**6,963**	N/A*

* Represent less than 10% of revenue for the respective year.

6. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**50,134**	64,453
Royalty income	**112**	545
	50,246	64,998

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time		
– Sale of goods	**50,134**	64,453
Overtime		
– Royalty income	**112**	545
Total revenue from contracts with customers	**50,246**	64,998

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon passage of control of goods.

Payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Royalty income

The performance obligation is satisfied over time based on each licensed product manufactured by the licensee.

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers (Continued)

An analysis of other income is as follows:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Government grants *(Note (a))*	**10**	105
Gain on disposal of right-of-use assets	**32**	–
Others	**35**	1
	77	106

(a) The government grants for the six months ended 30 June 2023 comprised subsidies received from the local governments to support the business operation of the entities.

There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE INCOME AND COSTS

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Finance income		
Interest from:		
– Financial assets at amortised costs	**–**	74
Finance costs		
Interests on:		
– Bank borrowings	**873**	399
– Lease liabilities	**17**	16
Amortisation of loan arrangement fee and facility and legal fee	**33**	33
	923	448

8. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**32,176**	41,862
Provision for inventories	**98**	107
Outsourcing costs	**5,018**	6,246
Depreciation of property, plant and equipment	**1,005**	1,185
Depreciation of right-of-use assets	**274**	274
Loss on disposal of property, plant and equipment	**4**	–
Loss on phishing attack*	**340**	–
Amortisation of other intangible assets	**10**	14
Distribution costs	**186**	1,162
Foreign exchange differences, net	**49**	34
Withholding tax	**21**	20
Auditor's remuneration		
– Audit service	**229**	205
– Non-audit services	**59**	48
Restructuring and severance costs	**2,033**	12
Expenses for short-term leases	**29**	154
Expenses for low value leases	**2**	1
Reversal of IT service accrual**	**–**	(1,074)
Employee benefits expense		
– Wage and salaries	**5,199**	5,444
– Pension scheme contributions	**1,099**	1,151
– Long service awards	**(2)**	(10)
– Share award scheme	**32**	75
– Other employee benefits	**157**	128

During the six months ended 30 June 2023, the Group incurred expenses for the purpose of research and development of US$3,053,000 (2022: US$2,711,000), which comprised employee benefits expenses of US$2,220,000 (2022: US$2,276,000).

* The Group recorded approximately US$340,000 in "other expenses" in the Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2023 relating to two business email compromise attacks. These two payments made out to fictitious invoices were reported to relevant law enforcement authorities and investigated by a forensic firm and the Group.

The respected loss is being assessed for claiming under insurance. The relevant internal control system was further strengthened.

** The reversal of IT service accrual pertains to release of liability which was accrued in the past in relation to services received. Management, after seeking legal advice on the Limitation Act, considered there to be no further payment obligation after the period of the statute of limitation.

9. INCOME TAXES

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

Pursuant to the rules and regulations of the Cayman Islands, the Company and HCIL Master Option Limited are not subject to any income tax in this jurisdiction.

The Singapore statutory income tax for Home Control Singapore Pte. Ltd. has been provided at the rate of 17% (2022: 17%) on the estimated assessable profits arising in Singapore during the reporting period.

The federal tax for Premium Home Control Solutions LLC has been provided at the rate of 21% (2022: 21%), and the state tax has been provided at the rate of 4.4% (2022: 4.3%) on the estimated assessable profits arising in the United States of America during the reporting period.

The provision for Mainland China income tax has been provided at the applicable income tax rate of 25% (2022: 25%) on the estimated assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law. Home Control Solutions (Suzhou) Limited was qualified as a Micro-sized Enterprise and was subject to a preferential income tax rate of 5% (2022: 5%) for the reporting period. HCS (Suzhou) Limited was qualified as an Advanced Technology Service Enterprise and was subject to a preferential income tax rate of 15% (2022: 15%) for the reporting period until November 2024.

The corporate income tax rate for Home Control Europe NV has been provided at the rate of 25% (2022: 25%) on the estimated assessable profits arising in Belgium during the reporting period.

The corporate income tax rate for Omni Remotes do Brasil Ltda has been provided at the rate of 24% (2022: 24%) on the estimated assessable profits arising in Brazil during the reporting period.

9. INCOME TAXES (Continued)

The Group calculates the period income tax credit/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit/expense are as follows:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current tax – Singapore		
Charge for the period	**87**	654
Under provision in prior periods	**–**	17
Current tax – United States of America		
Charge for the period	**85**	157
Over provision in prior periods	**–**	(1)
Current tax – China and elsewhere		
Charge for the period	**31**	230
Under provision in prior periods	**–**	16
	203	1,073
Deferred tax	**(547)**	(92)
Total tax (credit)/charge for the period	**(344)**	981

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment					Right-of-use assets				
	Furniture and fittings US$'000	Specific tools US$'000	Machinery and equipment US$'000	Construction-in-progress US$'000	Sub-total US$'000	Re-instatement US$'000	Office premises US$'000	Motor vehicles US$'000	Sub-total US$'000	Total US$'000
Cost										
At 31 December 2021 and 1 January 2022 (Audited)	132	15,946	6,465	352	22,895	340	3,194	283	3,817	26,712
Additions	–	–	28	603	631	–	–	49	49	680
Transfer	–	238	297	(535)	–	–	–	–	–	–
Disposals	–	(3)	(2)	–	(5)	–	–	(15)	(15)	(20)
Lease modification	–	–	–	–	–	–	12	(1)	11	11
Exchange differences	–	(51)	(95)	–	(146)	(8)	–	–	(8)	(154)
At 30 June 2022 (Unaudited)	132	16,130	6,693	420	23,375	332	3,206	316	3,854	27,229
Accumulated depreciation										
At 31 December 2021 and 1 January 2022 (Audited)	132	14,192	3,959	–	18,283	300	2,557	116	2,973	21,256
Charge for the period	–	693	492	–	1,185	9	225	40	274	1,459
Disposals	–	(3)	(2)	–	(5)	–	–	(15)	(15)	(20)
Exchange differences	–	(51)	(78)	–	(129)	(4)	–	–	(4)	(133)
At 30 June 2022 (Unaudited)	132	14,831	4,371	–	19,334	305	2,782	141	3,228	22,562

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

	Property, plant and equipment					Right-of-use assets				
	Furniture and fittings US$'000	Specific tools US$'000	Machinery and equipment US$'000	Construction-in-progress US$'000	Sub-total US$'000	Re-instatement US$'000	Office premises US$'000	Motor vehicles US$'000	Sub-total US$'000	Total US$'000
Cost										
At 31 December 2022 and 1 January 2023 (Audited)	132	16,237	6,550	468	23,387	331	3,718	387	4,436	27,823
Additions	–	3	24	506	533	–	–	–	–	533
Transfer	–	575	–	(575)	–	–	–	–	–	–
Disposals	–	(1,735)	(63)	–	(1,798)	–	–	–	–	(1,798)
Lease modification	–	–	–	–	–	–	–	6	6	6
Exchange differences	–	(38)	(70)	–	(108)	–	(159)	(122)	(281)	(389)
At 30 June 2023 (Unaudited)	132	15,042	6,441	399	22,014	331	3,559	271	4,161	26,175
Accumulated depreciation										
At 31 December 2022 and 1 January 2023 (Audited)	132	15,149	4,706	–	19,987	306	3,010	182	3,498	23,485
Charge for the period	–	533	472	–	1,005	6	223	45	274	1,279
Disposals	–	(1,734)	(60)	–	(1,794)	–	–	–	–	(1,794)
Exchange differences	–	(37)	(66)	–	(103)	(1)	(135)	(81)	(217)	(320)
At 30 June 2023 (Unaudited)	132	13,911	5,052	–	19,095	311	3,098	146	3,555	22,650
Net carrying amount										
At 30 June 2022 (Unaudited)	–	1,299	2,322	420	4,041	27	424	175	626	4,667
At 31 December 2022 (Audited)	–	1,088	1,844	468	3,400	25	708	205	938	4,338
At 30 June 2023 (Unaudited)	–	1,131	1,389	399	2,919	20	461	125	606	3,525

11. GOODWILL

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Cost and net carrying amount	**8,877**	8,877

As at 30 June 2023, no impairment charge has been recorded against goodwill (30 June 2022: no impairment charge).

12. FINANCIAL ASSETS AT AMORTISED COSTS

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Unlisted investment at amortised cost	**3,229**	3,229

The above investments were treasury management principal protected products issued by a licensed financial institution. The investments are denominated in Hong Kong Dollar and bear interest of 3.0% per annum. The investment matures initially 1.5 years from inception, and will be rolled over automatically unless the parties mutually agree to terminate it. The financial institution has the right to redeem the investments prior to its termination, and the discretion to determine the interest to be compensated.

These investments were last rolled over in November 2022 with maturity in May 2024 and were classified as current asset in accordance with the relevant accounting standards.

These investments are classified as financial assets at amortised cost as their contractual cash flows are solely payments of principal and interest.

13. TRADE RECEIVABLES

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Trade receivables	**28,940**	30,591
Impairment	**(282)**	(253)
	28,658	30,338

Trade receivables are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts on initial recognition.

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

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
0–90 days	**22,256**	23,017
91 to 180 days	**4,282**	5,858
More than 180 days	**2,120**	1,463
	28,658	30,338

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2023 US$'000 (Unaudited)	30 June 2022 US$'000 (Unaudited)
At beginning of period	**253**	192
Impairment loss	**29**	82
At end of period	**282**	274

14. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Other receivables	152	149
Value-added tax recoverable	39	65
Prepayments	650	557
	841	771

15. CASH AND CASH EQUIVALENTS

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Cash and cash equivalents	12,794	11,517
Term-deposit with maturity date within 3 months	–	3,800
Total cash and cash equivalents	12,794	15,317
Denominated in:		
United States Dollar	10,790	13,425
Euro	966	494
Singapore Dollar	286	73
Chinese Renminbi ("RMB")	374	961
Hong Kong Dollar	163	164
Others	215	200
Total	12,794	15,317

15. CASH AND CASH EQUIVALENTS (Continued)

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

16. TRADE PAYABLES

	30 June 2023 *US$'000* (Unaudited)	31 December 2022 *US$'000* (Audited)
Trade payables	**27,024**	24,572

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

	30 June 2023 *US$'000* (Unaudited)	31 December 2022 *US$'000* (Audited)
0–90 days	**18,388**	18,006
91 to 180 days	**8,560**	6,561
More than 180 days	**76**	5
	27,024	24,572

The trade payables are non-interest-bearing and are normally settled on 90-day credit terms.

17. INTEREST-BEARING BANK LOANS

	As at 30 June 2023 (Unaudited)		
	Contractual interest rate (%)	Maturity	US$'000
Current			
Loan from bank – secured*	**SOFR + 2.5%**	**Sep 2023 & Mar 2024**	**3,534**
Non-current			
Loan from bank – secured*	**SOFR + 2.5%**	**Mar 2024 – Mar 2026**	**14,239**
			17,773

	As at 31 December 2022 (Audited)		
	Contractual interest rate (%)	Maturity	US$'000
Current			
Loan from bank – secured*	SOFR + 2.5%	Mar & Sep 2023	3,534
Loan from bank – unsecured	SOFR + 1.7%	Mar 2023	5,000
			8,534
Non-current			
Loan from bank – secured*	SOFR + 2.5%	Mar 2024 – Mar 2026	16,006
			24,540

* As at 30 June 2023, the bank loan was secured by a floating charge over bank accounts of Home Control Singapore Pte. Ltd..

All interest-bearing bank loans are denominated in USD.

If SOFR is less than zero, SOFR shall be deemed to be zero.

The bank loan of the Group has been presented net of the loan arrangement fee.

17. INTEREST-BEARING BANK LOANS (Continued)

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Analysed into:		
Loan from bank repayable:		
– Within one year or on demand	**3,534**	8,534
– In the second year	**6,135**	4,834
– In the third to fifth years, inclusive	**8,104**	11,172
	17,773	24,540

18. SHARE CAPITAL

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Authorised:		
5,000,000,000 (31 December 2022: 5,000,000,000) ordinary shares of US$0.01 each	**50,000**	50,000
Issued and fully paid:		
504,141,829 (31 December 2022: 504,141,829) ordinary shares of US$0.01 each	**5,042**	5,042

19. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts is based on (loss)/profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 502,238,372 (2022: 501,633,663) in issue.

The calculation of the diluted (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	30 June 2023 *US$'000* (Unaudited)	30 June 2022 *US$'000* (Unaudited)
Earnings		
(Loss)/Profit attributable to owners of the Company, used in the basic (loss)/earnings per share calculation	**(1,489)**	3,193
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	**502,238,372**	501,633,663
Effects of dilution – weighted average number of ordinary shares:		
– Share options *(Note)*	**–**	–
– Share awards	**2,508,171**	5,016,337
	504,746,543	506,650,000

Note:

The computation of diluted earnings per share for the six months ended 30 June 2022 does not assume the exercise of the Company's outstanding share options before it expired during the year since they would have an anti-dilutive impact to the basic earnings per share. All the share options were expired during the year ended 31 December 2022.

20. DIVIDENDS

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Ordinary dividends		
Final declared and paid in respect of the previous financial year		
– Nil (2022: US0.38 cents) per ordinary share	**–**	1,933

No dividend was proposed in respect of the financial year ended 31 December 2022.

21. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and immediate holding company at terms agreed between the parties:

Compensation of key management personnel of the Group:

	30 June	30 June
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Short-term employee benefits	**570**	641
Pension scheme contributions	**67**	67
Total compensation paid to key management personnel	**637**	708

22. FINANCIAL INSTRUMENTS BY CATEGORY

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

	30 June 2023 US$'000 (Unaudited)	31 December 2022 US$'000 (Audited)
Financial assets		
Trade receivables	28,658	30,338
Other receivables	152	149
Cash and cash equivalents	12,794	15,317
Financial assets at amortised cost	3,229	3,229
	44,833	49,033
Financial liabilities		
Trade payables	27,024	24,572
Financial liabilities included in other payables and accruals	2,165	2,900
Interest-bearing bank loans	17,773	24,540
Lease liabilities	615	946
	47,577	52,958