

Artini Holdings Limited 雅天妮集團有限公司

[Incorporated in the Bermuda with limited liability]

Stock Code : 789

2023/24 Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Long (*Chairman*)

(appointed on 30 October 2023)

Mr. Tse Hoi Chau

Mr. Chen Shaojia (*Chief Executive*)

(appointed on 29 November 2023)

Ms. Yu Zhonglian (resigned on 29 November 2023)

Mr. Tse Kin Lung (resigned on 29 November 2023)

Independent Non-executive Directors

Mr. Yuen Wai Kin (appointed on 29 November 2023)

Mr. Lau Yiu Kit

Mr. Ma Sai Yam

Mr. Lau Fai Lawrence (resigned on 29 November 2023)

AUDIT COMMITTEE

Mr. Yuen Wai Kin (*Chairman*)

Mr. Lau Yiu Kit

Mr. Ma Sai Yam

REMUNERATION COMMITTEE

Mr. Ma Sai Yam (*Chairman*)

Mr. Chen Long

Mr. Yuen Wai Kin

Mr. Lau Yiu Kit

NOMINATION COMMITTEE

Mr. Yuen Wai Kin (*Chairman*)

Mr. Chen Long

Mr. Lau Yiu Kit

Mr. Ma Sai Yam

COMPANY SECRETARY

Mr. Wong Yun Fai (appointed on 1 December 2023)

Ms. Ho Wing Yan (resigned on 1 December 2023)

AUTHORISED REPRESENTATIVES

Mr. Chen Long

Mr. Wong Yun Fai

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Unit No.8502, Level 85,

International Commerce Centre

1 Austin Road West

Kowloon, Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited

The Hongkong and Shanghai Banking Corporation

Limited

LEGAL ADVISERS

As to Bermuda law

Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place
Central
Hong Kong

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

SHARE REGISTRARS

Principal share registrar and transfer office

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong branch share registrar and transfer office

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

LISTING EXCHANGE INFORMATION

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock Code

789

COMPANY'S WEBSITE

www.artini.com.hk



Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of Artini Holdings Limited (the “Company”) is pleased to present this interim report, including the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2023 (the “Period”).

BUSINESS REVIEW

The Group mainly engaged in fashion accessories business.

During the Period, the profitability of the Group was severely affected by the high inflation worldwide and geopolitical instability, which have impact on consumer confidence and spending.

In face of these challenges, the Group maintained its strategic determination, exercised prompt responses, actively responded to overcome the corresponding challenges, with an aim to minimize the negative impact. Considering that the global economy will continue to face different challenges, the Group implemented mitigation measures during the Period to reduce the corresponding negative impact.

The Group remained prudent in controlling the selling and distribution expenses, resulting in a stable selling and distribution expenses. The Group’s selling and distribution expenses for the Period were approximately HK\$5,922,000, representing a slightly increase of approximately 4.7% from approximately HK\$5,656,000 for the six months ended 30 September 2022.

The Group strengthened its relationship with the suppliers to maintain advantages in securing stable supply and lowering cost of sales.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Period amounted to approximately HK\$23,387,000 (six months ended 30 September 2022: approximately HK\$27,712,000), representing a decrease of approximately 15.6% from that of the corresponding period of 2022. The decrease in the Group’s revenue during the Period was mainly due to the downward pressure on the global economy.

Gross profit

The Group’s gross profit for the Period was approximately HK\$4,830,000 (six months ended 30 September 2022: approximately HK\$7,092,000), representing a decrease of approximately 31.9%. The Group’s gross profit margin for the Period was approximately 20.7%. The decrease in the Group’s gross profit during the Period was mainly due to the downward pressure on the global economy and sales discount offered to customers.

Selling and distribution expenses

The Group’s selling and distribution expenses for the Period was approximately HK\$5,922,000 (six months ended 30 September 2022: approximately HK\$5,656,000), representing an increase of approximately 4.7%. The increase in the Group’s selling and distribution expenses during the Period was mainly attributable to the increase in the marketing and promotion expenses for the Group’s fashion accessories business during the Period.



Administrative expenses

The Group's administrative expenses for the Period was approximately HK\$5,216,000 (six months ended 30 September 2022: approximately HK\$3,135,000), representing an increase of approximately 66.4%. The increase in the Group's administrative expenses was mainly attributable to the increase in staff cost during the Period.

Loss for the Period

As a result of the foregoing, the Group's loss for the Period was approximately HK\$4,147,000 (six months ended 30 September 2022: a loss of approximately HK\$2,111,000).

PROSPECTS

Global economic activities have been gradually recovering in 2023. Consumer sentiment is gradually improving. The Group expects the general demand for fashion accessories will increase.

The Group will continue to promote the brands owned by the Group, and the strategic development of third-party retail online platforms and social media marketing online platforms. With the rapid growth in the number of supporters, the Group will persist in maintaining and enhancing the brand image. Through relevant online channels to launch more fashion accessories products to meet the needs of consumers, in order to increase market share by exploiting new customers and new markets. The Group will continue to upgrade its brands, to accelerate the pace of socialized marketing, and to zero in on product innovation, skills development and new product launch.

In addition, the Group is optimistic towards the PRC market. The Group believes the domestic demand will be the impetus of consumer demand and the overall economics under the "dual circulation" strategy introduced by the Chinese government. Subsequent to the increment of the disposable income per capita and the improvement of living standard in the PRC, it is expected that the PRC will sustain the momentum from consumption upgrade, whilst the consumers will increase their spending limits and incline towards the purchase of fashion accessories products with higher value. Therefore, the Group will continue its efforts to further expand the sales volumes in the PRC.

The Group believes, from the long-term perspective, through prudent and effective capital and resources allocation, together with the omni-channel marketing in major markets, as well as online promotion and advertising activities, it will effectively improve the business performance of the Group. The Group will persist in assessing the current business strategies and will seek for suitable business opportunities, so as to create and explore new profit engines. It will then bring more stable development to the Group and ensure the interest of the shareholders of the Company.

As disclosed in the announcement dated 16 September 2020, the Group intends to explore opportunities to commence a general health and wellness business in the PRC (the “Potential Business Development”). The Board believes that there is great potential in the general health and wellness industry due to increasing awareness of health and wellness among consumers. As countries have released COVID-19 controls and social distancing measures, noticeable improvements in economic activities and international travel have been observed in various markets and sectors, and consumer confidence is increasingly being restored. The Group will explore related business opportunities and commence related business by expanding the Group’s product offerings through diversifying its products range to cover skincare and health products and by strengthening the Group’s online and offline sales channels. The Group believes that it is a suitable time to develop a general health and wellness business, and is in the process of identifying appropriate projects and suppliers if suitable opportunities arise. As at the date of this report, the Group has not yet signed any legally binding agreements with suppliers.

The Board expects that the Potential Business Development will enable the Group to leverage its existing business and customer network in the Greater Bay Area to diversify its income sources and achieve sustainable growth for the benefit of the Shareholders as a whole. Notwithstanding the Group’s intention to explore the Potential Business Development, the existing principal business of the Group (namely the sale of fashion accessories through online platforms) will continue to be the core business of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group mainly financed its operations with internally generated resources and its own working capital. The Group’s cash and cash equivalents as at 30 September 2023 in the amount of approximately HK\$16,836,000 (31 March 2023: approximately HK\$18,886,000) were principally denominated in Hong Kong Dollars and Renminbi and have been placed with licensed banks as current deposits. As at 30 September 2023, the Group did not have any borrowings (31 March 2023: Nil). The Group monitors its capital structure on the basis of gearing ratio, which is calculated as total liabilities over total equity. The gearing ratio of the Group was approximately 15.7% as at 30 September 2023 (31 March 2023: approximately 18.3%).

DIVIDENDS

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 September 2022: Nil).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Period. The capital of the Group only comprises ordinary shares.



FOREIGN EXCHANGE EXPOSURE

The main business activities of the Group take place in the PRC and Hong Kong. Accordingly, the potential foreign exchange exposure of the Group is mainly attributable to fluctuations of the Renminbi. The Group has not used any forward contracts or hedging products to hedge its interest rate or exchange rate risks during the Period. The management will, nonetheless, continue to monitor foreign currency risks exposures and consider adopting prudent measures as appropriate.

CHARGES ON ASSETS

As at 30 September 2023 and 31 March 2023, the Group did not have any charges on its assets, respectively.

CHANGE OF CONTROLLING SHAREHOLDER

On 16 September 2023, Mr. Tse Hoi Chau (“Mr. Tse”) and Walifax Investments Limited, which is wholly owned by Mr. Tse (collectively, the “Vendors”), as vendors, and Rapid Development Limited (the “Offeror”), which is ultimately owned as to 70% by Mr. Chen Long, 29% by Ms. Lin Chenjie (wife of Mr. Chen Long) and 1% by Mr. Chen Naien (brother of Mr. Chen Long), as purchaser, entered into a sale and purchase agreement (the “Agreement”), pursuant to which the Vendors agreed to sell and the Offeror agreed to purchase a total of 708,018,397 shares of the Company (the “Sale Shares”), representing approximately 64.13% of the issued shares of the Company, for an aggregate consideration of HK\$128,292,933.5364, equivalent to HK\$0.1812 per Sale Share.

Immediately upon completion of the sale and purchase of the Sale Shares, the Offeror and parties acting in concert with it were interested in 64.13% of the entire issued share capital of the Company (the “Shares”). Pursuant to the Hong Kong Code on Takeovers and Mergers, Blackwell Global Securities Limited, on behalf of the Offeror, made an unconditional mandatory cash offer to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) at HK\$0.1812 per Share (the “Offer”). Pursuant to the announcement dated 20 November 2023 jointly issued by the Company and the Offeror, immediately after the close of the Offer, on 20 November 2023, the Offeror and parties acting in concert with it were interested in an aggregate of 708,591,525 Shares, representing approximately 64.19% of the total issued share capital of the Company.

Details of the Agreement and the Offer are set out in the announcements of the Company dated 28 April 2023, 27 September 2023, 29 September 2023, 18 October 2023, 30 October 2023 and 20 November 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group currently does not have any firm intention or specific plans for material investments or capital assets.

SIGNIFICANT INVESTMENTS

There was no significant investment held by the Group during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

CONTINGENT LIABILITIES

As at 30 September 2023 and 31 March 2023, the Group had no significant contingent liabilities, respectively.

EMPLOYEES AND EMOLUMENTS

As at 30 September 2023, the Group had 23 employees. During the Period, the total staff cost including directors' emoluments amounted to approximately HK\$2,509,000. To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasises on communication with employees and continually developing paths for staff promotion. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

DIRECTORS' REMUNERATION POLICY

A directors' remuneration policy has been adopted. It aims to set out the Company's policy in respect of remuneration paid to executive Directors and non-executive Directors. The Directors' remuneration policy sets out the remuneration structure that allows the Company to attract, motivate and retain qualified Directors who can manage and lead the Company in achieving its strategic objective and contribute to the Company's performance and sustainable growth, and to provide Directors with a balanced and competitive remuneration. The remuneration policy is, therefore, aiming at being competitive but not excessive. To achieve this, remuneration package is determined with reference to a matrix of factors, including the individual performance, qualification and experience of Directors concerned and prevailing industry practice. It will be reviewed and, if necessary, updated from time to time to ensure its continued effectiveness.

EVENT AFTER THE PERIOD

Save as disclosed in this report, no material events had happened subsequent to the Period and up to the date of this report.

Corporate Governance and Other Information



CORPORATE GOVERNANCE

Corporate Governance Practice

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company has complied with all code provisions in the CG Code during the Period.

Model Code for Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code for the Period.

Audit Committee

The audit committee of the Company (the “Audit Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. As at the date of this report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Lau Fai Lawrence (Chairman), Mr. Lau Yiu Kit and Mr. Ma Sai Yam, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. During the Period, the Audit Committee had reviewed the unaudited condensed consolidated financial statement and the interim report for the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the Period.

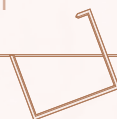
DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interest or short position of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Long positions in shares of the Company

Name of Directors	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 30 September 2023
Chen Long	Interest of a controlled corporation	708,018,397 <i>(Note)</i>	64.13%

Note: Mr. Chen Long owns 100% of Rapid Development Limited, which held 708,018,397 Shares or approximately 64.13% of the issued share capital of the Company as at 30 September 2023, and is deemed to be interested in these shares.



DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2023, the following persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

Long positions in shares of the Company

Name of shareholders	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 30 September 2023
Rapid Development Limited (<i>Note 1</i>)	Beneficial owner	708,018,397	64.13%
Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司) ("Rapid Investment Development") (<i>Note 1</i>)	Interest of a controlled corporation	708,018,397	64.13%
Fuxing Investment Development (Shenzhen) Co., Ltd.* (賦興投資發展(深圳)有限公司) ("Fuxing Investment Development") (<i>Note 1</i>)	Interest of a controlled corporation	708,018,397	64.13%
Chen Long (<i>Note 2</i>)	Interest of a controlled corporation	708,018,397	64.13%
Lin Chenjie (<i>Note 3</i>)	Interest of spouse	708,018,397	64.13%

Notes:

- Rapid Development Limited is wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development. As such, each of Rapid Investment Development and Fuxing Investment Development is deemed to be interested in the Shares owned by Rapid Development Limited.
- Fuxing Investment Development is owned as to 70% by Mr. Chen Long, 29% by Ms. Lin Chenjie (wife of Mr. Chen Long) and 1% by Mr. Chen Naien (brother of Mr. Chen Long). As such, Mr. Chen Long is deemed to be interested in the Shares in which Fuxing Investment Development is interested in.
- Lin Chenjie is the spouse of Mr. Chen Long and is deemed to be interested in the Shares in which Mr. Chen Long is interested in.

* for identification purpose only

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

2008 SHARE OPTION SCHEME

The Company adopted a share option scheme on 23 April 2008 (the “2008 Share Option Scheme”). The purpose of the 2008 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the shareholders of the Company as a whole. The 2008 Share Option Scheme was adopted for a period of 10 years commencing from 23 April 2008. The 2008 Share Option Scheme has become expiry on 22 April 2018. Share options granted prior to such expiration shall continue to be valid and exercisable in accordance with the provisions of the 2008 Share Option Scheme. As at the date of this report, there are no outstanding share options and no shares are available for issue under the 2008 Share Option Scheme.

There are no options granted, exercised, cancelled and lapsed for the six months ended 30 September 2023 under the 2008 Share Option Scheme.

As at 1 April 2023 and 30 September 2023, there no option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30 September 2023 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 September 2023 under the 2008 Share Option Scheme.



2019 SHARE OPTION SCHEME

The Company adopted a new share option scheme on 26 August 2019 (the “2019 Share Option Scheme”). The purpose of the 2019 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the shareholders of the Company as a whole. The 2019 Share Option Scheme was adopted for a period of 10 years commencing from 26 August 2019. Details of shares options movements during the Period under the 2019 Share Option Scheme are as follows:

Name of the grantees	Date of grant	Number of share options					Outstanding as at 30 September 2023	Validity period of the share options	Adjusted exercise price (HK\$) (Note 1)
		Outstanding as at 1 April 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period			
Directors									
Mr. Tse Hoi Chau	15 July 2020	11,000,000	-	-	11,000,000	-	-	15 July 2020 – 14 July 2023	0.197
Ms. Yu Zhonglian	15 July 2020	11,000,000	-	-	11,000,000	-	-	15 July 2020 – 14 July 2023	0.197
Mr. Tse Kin Lung	15 July 2020	11,000,000	-	-	11,000,000	-	-	15 July 2020 – 14 July 2023	0.197
Other Participants									
Employees	15 July 2020	6,200,000	-	-	6,200,000	-	-	15 July 2020 – 14 July 2023	0.197
Consultants	15 July 2020	71,000,000	-	-	71,000,000	-	-	15 July 2020 – 14 July 2023	0.197 (Note 2)
		110,200,000	-	-	110,200,000	-	-		

Notes:

- Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The Company has received such consideration from the respective grantees.
- These 71,000,000 share options are held by ten consultants of the Company (the “Consultants”) respectively. The backgrounds of the Consultants are as follows:

Consultants A, B and C

As at the date of this report, each of Consultant A, Consultant B and Consultant C is holding 11,000,000 share options, 6,000,000 share options and 3,000,000 share options respectively. Each of Consultant A, Consultant B and Consultant C is an independent third party and a new product design consultant to the Group. Consultants A and B are experienced designers with their own designer brand, while Consultant C is a fashion designer focusing on fashion apparels and accessories designer brands. The design teams of Consultants A, B and C have been advising the Group on the design and development of its new product.

Consultant D

As at the date of this report, Consultant D is holding 11,000,000 share options. Consultant D is an independent third party and a new product design consultant to the Group. Consultant D has extensive experience in the processing of fashion accessories, from the selection of raw materials to the design and finishing of fashion accessories. The accessories manufacturing team of Consultant D has been providing assistance in controlling the product structure and style for the launch of new brands of the Group.

Consultant E

As at the date of this report, Consultant E is holding 11,000,000 share options. Consultant E is an independent third party and a new retail promotion consultant to the Group. Consultant E owns accessories brands and companies and has extensive experience in the accessories industry and its business model. Consultant E possesses cooperative resources of different sales platform and has been assisting the Group on the implementation of marketing promotion and management.

Consultant F

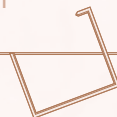
As at the date of this report, Consultant F is holding 11,000,000 share options. Consultant F is an independent third party and a production design consultant to the Group. Consultant F owns a jewellery processing factory and has extensive experience in the industry. The strong rehashing ability and productivity of the jewellery processing factory has been providing assistance in controlling the quality of the production design of the new products of the Group.

Consultant G

As at the date of this report, Consultant G is holding 11,000,000 share options. Consultant G is an independent third party and a brand sales consultant to the Group. Consultant G possesses unique marketing concepts for brand promotion and product sales and is good at the commercial operation of brand product positioning, product structure layout and product marketing integration, which Consultant G has been advising the Group in market development and resources integration plan.

Consultant H

As at the date of this report, Consultant H is holding 3,000,000 share options. Consultant H is an independent third party and a brand promotion consultant to the Group. Consultant H possesses extensive and professional experience in promotion of e-commerce platform and ability in marketing planning, focusing on the promotion of fashion brands. Consultant H has been providing assistance in marketing channel promotion for the brands of the Group, collaboration with KOLs for livestreaming and strategic planning and marketing strategies for the development of the brands of the Group in the PRC market.



Consultant I

As at the date of this report, Consultant I is holding 3,000,000 share options. Consultant I is an independent third party and a planning consultant to the Group. Consultant I possesses extensive experience in the retail industry and professional skills. The resources of various well-known KOLs and bloggers held by Consultant I has enabled the Group to extend its retail business in the PRC market.

Consultant J

As at the date of this report, Consultant J is holding 1,000,000 share options. Consultant J is an independent third party and a merchandising data analysis consultant to the Group. Consultant J is a data analyst focusing on e-commerce merchandising and good at enhancing businesses through data analyse. Consultant J has been providing advice to the Group on the data analyst of its e-commerce merchandising business.

As the Consultants have contributed/will contribute to the development and growth of the Group, the Board believes that granting these share options to the Consultants was align with the objective of the 2019 Share Option Scheme.

As at the date of this report, there are no outstanding share options and 196,812 shares are available for issue under the 2019 Share Option Scheme.

Saved as disclosed herein, there are no options granted, exercised, cancelled and lapsed for the six months ended 30 September 2023 under the 2019 Share Option Scheme.

As at 1 April 2023 and 30 September 2023, there is 196,812 option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30 September 2023 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 September 2023 under the 2019 Share Option Scheme.

By order of the Board

Artini Holdings Limited

Chen Long

Chairman and executive Director

Hong Kong, 28 November 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023



	Notes	For the six months ended 30 September	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	3	23,387	27,712
Cost of sales		(18,557)	(20,620)
Gross profit		4,830	7,092
Other income	4	2	134
Other gains and losses, net	5	2,163	(525)
Selling and distribution expenses		(5,922)	(5,656)
Administrative expenses		(5,216)	(3,135)
Finance costs	6	(4)	(21)
Loss before income tax	7	(4,147)	(2,111)
Income tax expense	8	–	–
Loss for the period		(4,147)	(2,111)
Other comprehensive expense for the period, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(6,847)	(8,584)
Total comprehensive expense for the period		(10,994)	(10,695)
Loss per share			
Basic and diluted (HK\$)	10	(0.004)	(0.002)

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

		As at 30 September 2023 (unaudited) HK\$'000	As at 31 March 2023 (audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		110	211
Goodwill		2,534	2,534
Right-of-use assets		130	211
Intangible assets		25,150	25,150
		27,924	28,106
CURRENT ASSETS			
Inventories		45,230	42,697
Trade and other receivables	11	48,103	64,633
Cash and bank balances		16,836	18,886
		110,169	126,216
CURRENT LIABILITIES			
Trade and other payables	12	7,834	12,224
Contract liabilities		–	411
Lease liabilities		123	168
Income tax payable		10,731	11,081
		18,688	23,884
NET CURRENT ASSETS		91,481	102,332
TOTAL ASSETS LESS CURRENT LIABILITIES		119,405	130,438
NON-CURRENT LIABILITIES			
Lease liabilities		3	42
		3	42
NET ASSETS		119,402	130,396
CAPITAL AND RESERVES			
Share capital	13	55,198	55,198
Reserves		64,204	75,198
TOTAL EQUITY		119,402	130,396

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Share capital	Share premium	Other reserves	Translation reserve	PRC statutory reserves	Share- based payment capital reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2023 (audited)	55,198	913,906	(16,415)	20,277	9,436	8,976	(860,982)	130,396
Loss for the period	-	-	-	-	-	-	(4,147)	(4,147)
Other comprehensive income	-	-	-	(6,847)	-	-	-	(6,847)
Total comprehensive expense for the period	-	-	-	(6,847)	-	-	(4,147)	(10,994)
Reversal upon deregistration of a subsidiary	-	-	-	(18,866)	(9,436)	-	28,302	-
Lapse of share options	-	-	-	-	-	(8,976)	8,976	-
As at 30 September 2023 (unaudited)	55,198	913,906	(16,415)	(5,436)	-	-	(827,851)	119,402
As at 1 April 2022 (audited)	55,198	913,906	(16,415)	29,198	9,436	8,976	(859,547)	140,752
Loss for the period	-	-	-	-	-	-	(2,111)	(2,111)
Other comprehensive income	-	-	-	(8,584)	-	-	-	(8,584)
Total comprehensive expense for the period	-	-	-	(8,584)	-	-	(2,111)	(10,695)
As at 30 September 2022 (unaudited)	55,198	913,906	(16,415)	20,614	9,436	8,976	(861,658)	130,057

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	For the six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Net cash used in operating activities	(1,039)	(18,178)
Investing activities		
Other investing cash flows	(7)	(123)
Net cash used in investing activities	(7)	(123)
Financing activities		
Payments of lease liabilities	(82)	(215)
Other financing cash flows	(4)	(22)
Net cash used in financing activities	(86)	(237)
Net decrease in cash and cash equivalents	(1,132)	(18,538)
Cash and cash equivalents at beginning of the period	18,886	35,758
Effect of foreign exchange rate changes	(918)	4,352
Cash and cash equivalents at end of the period, represented by cash and bank balances	16,836	21,572

Notes to the Condensed Consolidated Financial Statements



1 BASIS OF PREPARATION

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

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and an interpretation, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months period ended 30 September 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

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



3 REVENUE AND SEGMENT INFORMATION

a. Revenue

Revenue represents the net amounts received and receivables that are derived from the sales of fashion accessories products during the six months ended 30 September 2023 and 30 September 2022.

b. Segment information

The Group's reportable and operating segments for the six months ended 30 September 2023 and 30 September 2022, based on the information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance, are as follows:

Integrated fashion accessories platform business

- (i) fashion accessories online wholesale platform, consists of wholesale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform; and
- (ii) others, consists of retail and distribution of fashion accessories products through third-party retail online platforms for retail customers in the People Republic of China ("PRC") and third party physical points of sale by authorised distributors and consignees in the PRC and Hong Kong, offline wholesale channels for trading of fashion accessories products to global wholesale customers and PRC wholesale customers.

Notes to the Condensed Consolidated Financial Statements



3 REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

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

	Fashion accessories online wholesale platform HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30 September 2023 – unaudited			
Revenue			
Segment revenue – external sales	22,418	969	23,387
Results			
Segment results	817	(1,053)	(236)
Other unallocated gains and income			87
Unallocated expenses			(3,998)
Loss before income tax			(4,147)
Segment assets	109,977	612	110,589
Segment liabilities	(7,994)	(1,330)	(9,324)
Six months ended 30 September 2022 – unaudited			
Revenue			
Segment revenue – external sales	22,942	4,770	27,712
Results			
Segment results	(321)	179	(143)
Other unallocated gains and income			–
Unallocated expenses			(1,968)
Loss before income tax			(2,111)
Segment assets	114,481	7,324	121,805
Segment liabilities	(8,301)	(3,241)	(11,542)

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

- Segment results represent the profit earned or loss incurred by each segment without allocation of items not related to the relevant segments.
- All assets are allocated to reportable and operating segments other than intangible assets, certain property, plant and equipment, certain other receivables and certain cash and bank balances.
- All liabilities are allocated to reportable and operating segments other than certain tax liabilities, certain other payables and obligations under finance lease.

Notes to the Condensed Consolidated Financial Statements



4 OTHER INCOME

	For the six months ended 30 September	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Interest income	–	1
Government subsidies (<i>Note (a)</i>)	–	110
Others	2	23
	2	134

Note:

- (a) During the period ended 30 September 2022, included in profit or loss was HK\$110,000 of government grants obtained from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group’s employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program, and does not obtain any subsidy in the current period.

5 OTHER GAINS AND LOSSES, NET

	For the six months ended 30 September	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Sundry gains	87	–
Net exchange (losses)	2,076	(525)
	2,163	(525)

Notes to the Condensed Consolidated Financial Statements



6 FINANCE COSTS

	For the six months ended 30 September	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Interest on lease liabilities	4	21
	4	21

7 LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	For the six months ended 30 September	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Cost of inventories recognised as an expense	18,557	20,620
Depreciation of property, plant and equipment	104	357
Depreciation of right-of-use assets	80	212

Notes to the Condensed Consolidated Financial Statements



8 INCOME TAX EXPENSE

	For the six months ended 30 September	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Hong Kong Profits tax		
– Current period	–	–
Deferred tax		
– Current period	–	–
Income tax expense	–	–

According to the Inland Revenue (Amendment) Bill 2017 which was substantively enacted after passing its Third Reading in the Legislative Council on 28 March 2018, the two-tiered profits tax regime (the “Regime”) is first effective for the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of corporations is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. The Hong Kong profits tax for the six months ended 30 September 2023 and 30 September 2022 is provided based on the Regime.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 30 September 2023 and 30 September 2022.

9 DIVIDENDS

The Board does not declare interim dividends for the six months ended 30 September 2023 (2022: Nil).

Notes to the Condensed Consolidated Financial Statements



10 LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period of approximately HK\$4,147,000 (2022: HK\$2,111,000) and the weighted average of approximately 1,103,968,000 (2022: 1,103,968,000) ordinary shares of the Company in issue during the period. The basic and diluted earnings per share for the six months ended 30 September 2023 and 30 September 2022 are the same as there were no potential dilutive shares.

11 TRADE AND OTHER RECEIVABLES

	As at 30 September 2023 (unaudited) HK\$'000	As at 31 March 2023 (audited) HK\$'000
Aged analysis of trade receivables, presented based on invoice dates		
0 – 30 days	7,760	14,138
31 – 60 days	2,279	10,201
61 – 90 days	2,005	5,707
91 – 180 days	5,813	4,952
181 – 365 days	21,267	11,917
	39,124	46,915
Trade and other deposit paid	65	16,688
Prepayment	8,836	392
Other receivables, net of allowances	78	465
Contract assets, net	–	173
	48,103	64,633

Notes to the Condensed Consolidated Financial Statements



12 TRADE AND OTHER PAYABLES

	As at 30 September 2023 (unaudited) HK\$'000	As at 31 March 2023 (audited) HK\$'000
Aged analysis of trade payables, presented based on invoice dates		
Within 3 months	2,245	6,148
More than 3 months less than 1 year	9	251
Over 1 year	175	175
Trade payables	2,429	6,574
Other tax payables	3,042	3,108
Payrolls and staff cost payable	317	360
Other payables and accruals	2,046	2,182
	7,834	12,224

13 SHARE CAPITAL

	As at 30 September 2023		As at 31 March 2023	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Ordinary shares of par value HK\$0.05 each				
Authorised:				
As at beginning and end of the period/year	6,000,000	300,000	6,000,000	300,000
Issued and fully paid:				
As at beginning and end of the period/year	1,103,968	55,198	1,103,968	55,198

Notes to the Condensed Consolidated Financial Statements



14 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

a. Balances with related parties

Saved as disclosed in these condensed consolidated financial statements, in the opinion of the Directors, the Group did not have any other significant balances with the related parties as at the end of the reporting period.

b. Key management personnel remuneration

During the six months ended 30 September 2023 and 30 September 2022, the Group had remuneration paid to the Directors and other members of key management of the Group as follows:

	For the six months ended	
	30 September 2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Short-term employee benefits	1,140	384
Post-employment benefits	21	14
	1,161	398

15 APPROVAL OF INTERIM FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved by the Board on 28 November 2023.