

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



L U X X U

GROUP LIMITED

Luxxu Group Limited

勵時集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1327)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “Board”) of directors (the “Directors”) of Luxxu Group Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 together with the comparative figures. This announcement, containing the full text of the 2024 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in relation to information to accompany preliminary announcements of interim results. This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.luxxu.hk). The printed version of the Company’s Interim Report will be despatched to the shareholders of the Company and available on above websites in due course.

By order of the Board
Luxxu Group Limited
Yang Xi
Executive Director

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises two executive Directors, being Mr. Liang Yanhuang and Mr. Yang Xi; and three independent non-executive Directors, being Mr. Yu Chon Man, Ms. Duan Baili and Mr. Zhong Weili.



CONTENTS

Management Discussion and Analysis	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flow	13
Notes to the Condensed Consolidated Interim Financial Statements	14

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In first half of 2024, the Group continued to focus on its business operations which (i) cooperate with different industry experts to design and sales of prestige and high-end watches and accessories, including but not limited to diamond tourbillon watches and luxury jewellery watches; (ii) design, production and assembly of watches for our OEM customers; (iii) manufacture and sales of our own brands watches; and (iv) assists customers to hold exhibition.

Revenue for the six months ended 30 June 2024 has been decreased due to the keen competition in the industry although there is overall improvement in retail sales in Hong Kong. According to the statistics from The Census and Statistics Department, the value of retail sales of the jewellery, watches and clocks, and valuable gifts category in Hong Kong has decreased approximately 23.1% for six months ended 30 June 2024 respectively, when comparing with 2023.

The Group's net loss for the six months ended 30 June 2024 amounted to approximately RMB10.7 million, decreased from loss of approximately RMB18.1 million for the six months ended 30 June 2023. Such decrease was mainly due to the net effect of increase in gross profit and the decrease of other gain and loss.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately RMB5.2 million or 19.0% from approximately RMB27.3 million for the six months ended 30 June 2023 to approximately RMB22.1 million for the six months ended 30 June 2024. The decrease in revenue was mainly attributable to the decrease in sales order due to the keen competition in the industry which net off with the effect of increase in exhibition income.

Cost of sales

Our cost of sales decreased by approximately RMB6.8 million or 29.7% from approximately RMB22.9 million for the six months ended 30 June 2023 to approximately RMB16.1 million for the six months ended 30 June 2024. The decrease is consistent with the decrease in revenue of sales of branded watches by 30.0% for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

Our gross profit increased by approximately RMB1.6 million or 37.2% from approximately RMB4.3 million for the six months ended 30 June 2023 to approximately RMB5.9 million for the six months ended 30 June 2024. The increase was mainly due to the increase in exhibition income for the six months ended 30 June 2024. Our overall gross profit margin increased from approximately 15.9% for the six months ended 30 June 2023 to approximately 26.9% for the six months ended 30 June 2024.

Other gain and loss

Our other gain and loss recognised a loss of approximately RMB5.7 million for the six months ended 30 June 2024, representing a decrease from loss of approximately RMB9.8 million for the six months ended 30 June 2023. The decrease was primarily attributable to the unrealised fair value loss on financial assets at fair value through profit or loss. For details of the realised and unrealised gain/loss, please refer to significant investments section.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately RMB0.5 million from approximately RMB3.3 million for the six months ended 30 June 2023 to approximately RMB2.8 million for the six months ended 30 June 2024. The decrease was primarily attributable to the decrease in advertising expense.

Administrative expenses

Our administrative expenses decreased by approximately RMB1.1 million from approximately RMB7.8 million for the six months ended 30 June 2023 to approximately RMB6.7 million for the six months ended 30 June 2024. The decrease was mainly attributable to the implementation of cost control strategy during the period.

Finance costs

There was finance costs of approximately RMB1.5 million for the six months ended 30 June 2024 while approximately RMB1.5 million for the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss before taxation

As a result of the foregoing, our loss before taxation amounted to approximately RMB10.7 million for the six months ended 30 June 2024 (2023: loss before taxation of approximately RMB18.1 million).

Loss for the period

As a result of the foregoing, loss for the period decreased from approximately RMB18.1 million for the six months ended 30 June 2023 to approximately RMB10.7 million for the six months ended 30 June 2024. Such decrease was primarily due to net effect of increase in gross profit and the decrease of other gain and loss.

OUTLOOK AND FUTURE PROSPECTS

Going forward, the Group aimed to offer premium quality products to customers and will continue to strengthen our core competitiveness by improving our watch and jewellery design and development capabilities by upholding the design and artistic knowledge of the design team and recruitment of additional talents. In view of the economy condition in Hong Kong and the PRC, the Group expects 2024 will be a challenging year. The Group will closely monitor the market response and remix the business and product portfolio to suit the market needs, including but not limited to design, manufacture and sales of prestige and high-end watches and jewelleryes and stay competitive.

In view of (i) the growing middle-class, (ii) increase of disposal income, in particular among Chinese women, and (iii) the rising women's job participation rate, the Group still believe that there is a strong force behind the consumption of prestige and high-end watches and luxury jewelleryes and accessories in long run. The Group should allocate more resources and effort to strengthen our design team and consider crossover design with some famous designer so that the Group can offer fashionable and affordable watches and jewelleryes suitable for wearing in workplace.

Looking beyond the near-term uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to shine in the future.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities, bond payables and capital market.

As at 30 June 2024, the Group's total cash and bank balances were approximately RMB1.4 million (31 December 2023: approximately RMB2.0 million), most of which are held in HK\$. The current ratio (defined as current assets divided by current liabilities) of the Group increased from 10.6 times as at 31 December 2023 to 11.0 times as at 30 June 2024. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group increased from approximately 32.5% as at 31 December 2023 to approximately 38.8% as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

DEBTS AND CHARGE ON ASSETS

As at 30 June 2024, none of the assets of the Group has been pledged to secure any loan granted to the Group.

CAPITAL COMMITMENT

As at 30 June 2024, the Group did not have any material capital commitment (31 December 2023: RMB Nil).

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and United States dollars. During the six months ended 30 June 2024, the Group has not entered into any hedging arrangements. However the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

CAPITAL STRUCTURE

Details of the movement in share capital of the Company during the six months ended 30 June 2024 are set out in Note 12 to the condensed consolidated interim financial statements.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2024 and 31 December 2023.

DIVIDEND PAYMENT

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023: Nil).

SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2024, there were no material acquisitions or disposals of subsidiaries and associated companies.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

At 30 June 2024, detail of the significant investments are as follows:

Name of investee	Fair value loss RMB'000	As at 30 June 2024 RMB'000	Percentage to the Group's audited total assets as at 30 June 2024 %	Number of shares held by the Group as at 1 January 2024	Percentage of shareholding held by the Group as at 1 January 2024 %	Number of shares held by the Group as at 30 June 2024	Percentage of shareholding held by the Group as at 30 June 2024 %
Significant investments							
SEEC Media Group Limited ("SEEC") (stock code: 205.HK) (note)	2,199	2,014	2.0%	11,620,000	1.58%	11,620,000	1.58%
Other listed securities	3,534	6,735	6.6%				
Total	5,733	8,749	8.6%				

Note:

SEEC and its subsidiaries are principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. Based on SEEC's annual report for the year ended 31 December 2023, revenue and loss of SEEC was approximately HK\$38,379,000 and HK\$37,397,000 respectively.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 30 June 2024, there was no investment held by the Group the value of which was more than 1% of the total assets of the Group and no investment held by the Group contributed more than 10% of the realised or unrealised loss for the six months ended 30 June 2024.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had a total of 56 (31 December 2023: 56) employees. The total remuneration costs incurred by the Group for the six months ended 30 June 2024 were approximately RMB3.5 million (for the six months ended 30 June 2023: approximately RMB3.8 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as known to the Directors, at 30 June 2024, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Main Board Listing Rules ("Model Code"), were as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity and nature of interest	Number of unlisted shares option	Number of ordinary shares held	Total	Approximate percentage of shareholding in the Company
Director					
Yang Xi	Beneficial owner	4,490,000	–	4,490,000	0.83%
Zhong Weili	Beneficial owner	4,490,000	–	4,490,000	0.83%
Duan Baili	Beneficial owner	4,490,000	–	4,490,000	0.83%

Save as disclosed above, at 30 June 2024, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any 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, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

MANAGEMENT DISCUSSION AND ANALYSIS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" above, at no time during the six months ended 30 June 2024 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates, of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any associated corporation and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended 30 June 2024.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the directors of the Company and their respective associates (as defined under Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2024.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2024, the Group had adopted and complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Audit Committee of the Company, comprising three Independent Non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a model code of practice for securities dealings by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code set out in Appendix 10 to the Listing Rules. The Company has confirmed, after making specific enquiries with the Directors in accordance with the code of practice, that all the Directors have complied with the Model Code for the six months ended 30 June 2024.

BOARD OF DIRECTORS

As at 30 June 2024, the Board comprises two Executive Directors and three Independent Non-executive Director as follows:

Executive Directors

Mr. Liang Yanhuang
Mr. Yang Xi

Independent Non-Executive Directors

Mr. Yu Chon Man
Ms. Duan Baili
Mr. Zhong Weili

By Order of the Board
Luxxu Group Limited
Liang Yanhuang
Executive Director

30 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

The Board of directors (the “Board”) of Luxxu Group Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024, together with the comparative unaudited figures for the corresponding period in 2023 as follows:

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	22,090	27,289
Cost of sales		(16,144)	(22,947)
Gross profit		5,946	4,342
Other gain and loss	4	(5,733)	(9,789)
Selling and distribution expenses		(2,762)	(3,283)
Administrative expenses		(6,680)	(7,834)
Finance costs	5	(1,500)	(1,510)
Loss before taxation		(10,729)	(18,074)
Taxation	6	–	–
Loss for the period	7	(10,729)	(18,074)
Other comprehensive income/(loss) for the period, net of tax			
Exchange differences on translation of foreign operations		136	434
Other comprehensive income/(loss) for the period, net of tax		136	434
Total comprehensive loss for the period		(10,593)	(17,640)
Loss for the period attributable to:			
– Owners of the Company		(10,729)	(18,074)
Total comprehensive loss for the period attributable to:			
– Owners of the Company		(10,593)	(17,640)
Loss per share attributable to owners of the Company			
– Basic and diluted (RMB) (cents)	8	(2.0)	(3.4)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,834	8,704
Right-of-use assets		954	1,431
Rental deposits		1,711	1,711
		7,499	11,846
CURRENT ASSETS			
Inventories		59,510	59,654
Trade receivables	11	20,477	21,440
Deposits, prepayments and other receivables		4,420	4,209
Financial assets at fair value through profit or loss		8,749	14,482
Cash and bank balances		1,381	1,998
		94,537	101,783
CURRENT LIABILITIES			
Lease liabilities		900	1,350
Accruals and other payables		1,737	3,307
Bond payable		5,944	4,854
Income tax payables		–	70
		8,581	9,581
NET CURRENT ASSETS		85,956	92,202
TOTAL ASSETS LESS CURRENT LIABILITIES		93,455	104,048
NON-CURRENT LIABILITIES			
Bond payable		21,857	21,857
		21,857	21,857
NET ASSETS		71,598	82,191
CAPITAL AND RESERVES			
Share capital	12	45,286	45,286
Reserves		26,312	36,905
TOTAL EQUITY		71,598	82,191

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company					
	Share capital	Share premium	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (Audited)	45,286	473,246	5,248	5,919	(447,508)	82,191
Loss for the period	-	-	-	-	(10,729)	(10,729)
Other comprehensive income for the period	-	-	136	-	-	136
Total comprehensive loss for the period	-	-	136	-	(10,729)	(10,593)
At 30 June 2024 (Unaudited)	45,286	473,246	5,384	5,919	(458,237)	71,598

	Attributable to owners of the Company					
	Share capital	Share premium	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (Audited)	45,286	473,246	1,896	10,807	(412,860)	118,375
Loss for the period	-	-	-	-	(18,074)	(18,074)
Other comprehensive income for the period	-	-	434	-	-	434
Total comprehensive loss for the period	-	-	434	-	(18,074)	(17,640)
Transfer of share option reserve upon the lapse of share options	-	-	-	(2,520)	2,520	-
At 30 June 2023 (Unaudited)	45,286	473,246	2,330	8,287	(428,414)	100,735

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(235)	(8,325)
Net cash used in investing activities	–	–
Net cash used in financing activities	(410)	–
Net decrease in cash and cash equivalents	(645)	(8,325)
Effect of foreign exchange rates changes	28	46
Cash and cash equivalents at the beginning of the period	1,998	9,559
Cash and cash equivalents at the end of the period	1,381	1,280

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company is an investment company. The Group is principally engaged in the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillon watches and luxury jewellery watches, OEM watches and third-party watches and assists customers to hold exhibition.

Items included in the financial statements of each of the Group’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is Hong Kong dollars. For the purpose of presenting the consolidated financial statements, the Group adopted Renminbi (“RMB”) as its presentation currency. All financial information presented in RMB has been rounded to the nearest thousand.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements.

The directors of the Company anticipate that the new and amended HKFRSs will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of such standards. The Group is in the process of making an assessment of the impact of these new and amended HKFRSs upon initial application. Currently it has been considered that the adoption of them is unlikely to have a material impact on the Group’s results of operations and financial position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in two business segment in manufacturing, trading and retailing business of watches and assists customers to hold exhibition. A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segments.

Turnover from major products

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Branded watches	19,080	27,289
Exhibition income	3,010	–
	22,090	27,289

Geographical information

The Group's operations and non-current assets are mainly located in the People's Republic of China (the "PRC") and Hong Kong. The Group's revenue from external customers based on the location of the customers is detailed as below:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Hong Kong, China	22,090	26,674
The PRC (excluding Hong Kong)	–	615
	22,090	27,289

Information about major customer

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

4. OTHER GAIN AND LOSS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Unrealised fair value loss on financial assets at fair value through profit or loss	(5,733)	(7,004)
Recognition of impairment loss recognised under expected credit loss model	–	(2,785)
	(5,733)	(9,789)

5. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest arising from bond payables and lease liabilities	1,500	1,510

6. TAXATION

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Hong Kong profits tax	–	–
Deferred taxation reversed in Hong Kong	–	–
	–	–

Hong Kong

No Hong Kong profits tax has been provided as no estimated assessable profit arising in or derived from Hong Kong for the six months ended 30 June 2024 and 2023.

The PRC

The PRC Enterprise Income Tax (the "PRC EIT") is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% from 1 January 2008 onwards.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging:		
Total employee expenses (including directors' remuneration)	3,530	3,873
Advertising expenses	962	1,283
Cost of inventories recognised as an expense	16,144	22,947
Depreciation	3,870	3,877

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share for the period is based on the following data:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share, loss for the period attributable to the owners of the Company	(10,729)	(18,074)

	Six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	539,136	539,136

- (a) The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the Company of RMB10,729,000 (2023: RMB18,074,000) and the weighted average of 539,136,000 ordinary shares (2023: 539,136,000) in issue during the year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

- (b) Diluted loss per share for the six months ended 30 June 2024 and 2023 were the same as basic loss per share as it is assumed that there is no potential dilutive ordinary shares in existence since the exercise of share options was anti-dilutive.

9. INTERIM DIVIDENDS

The board of directors do not recommend the payment of interim dividend for the six months ended 30 June 2024 (2023: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group did not acquire any property, plant and equipment (2023: Nil).

11. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	54,812	55,775
Less: Allowance for expected credit losses	(34,335)	(34,335)
	20,477	21,440

The Group generally allows credit period of 0 to 180 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0 to 30 days	1,538	584
31 to 60 days	1,982	521
61 to 90 days	1,630	454
91 to 180 days	1,679	361
Over 180 days	13,648	19,520
	20,477	21,440

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

12. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000	
Authorised:			
Ordinary shares of HK\$0.10 each			
As at 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	1,300,000	130,000	
	Number of shares '000	Nominal value of ordinary shares HK\$'000 RMB'000	
Issued and fully paid:			
Ordinary shares of HK\$0.10 each			
At 1 January 2024 (Audited) and 30 June 2024 (Unaudited)	539,136	53,914	45,286

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

13. SHARE OPTION SCHEMES

The Company operates a share option scheme (the “Share Option Scheme”) adopted on 19 December 2014. The Share Option Scheme will remain in force for a period of 10 years since the date of adoption. During the six months ended 30 June 2024, no share options has been granted under the Share Option Scheme (2023: Nil).

Details of the movements in the number of share options under the Share Options Scheme during the period were as follows:

	Date of grant	Exercise price	Exercise period	Vesting period	Outstanding at 1 January 2024 '000	Granted during the period '000	Exercised during the period '000	Lapsed/ forfeited during the period '000	Outstanding at 30 June 2024 '000
Directors									
Yang Xi	23 August 2021	HK\$0.152	23 August 2021 to 22 August 2024	No	4,490	-	-	-	4,490
Zhong Weili	23 August 2021	HK\$0.152	23 August 2021 to 22 August 2024	No	4,490	-	-	-	4,490
Duan Baili	23 August 2021	HK\$0.152	23 August 2021 to 22 August 2024	No	4,490	-	-	-	4,490
Employees									
	11 April 2019	HK\$0.41	11 April 2019 to 10 April 2029	No	29,376	-	-	-	29,376
	23 August 2021	HK\$0.152	23 August 2021 to 22 August 2024	No	22,450	-	-	-	22,450
Total					65,296	-	-	-	65,296

14. EVENT AFTER THE REPORTING PERIOD

There is no material event affecting the Group which has occurred since the end of the reporting period.