

# 澳至尊 AUSupreme



# 2021 INTERIM REPORT

澳至尊國際控股有限公司  
AUSUPREME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

HKEx Stock Code : 2031.HK



## Contents

Corporate Information	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7
Management Discussion and Analysis	19
Corporate Governance and Other Information	24

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Choy Chi Fai (*Chairman and Co-Chief Executive Officer*)

Ms. Ho Ka Man (*Vice Chairman and Co-Chief Executive Officer*)

Mr. Ho Chun Kit, Saxony

Mr. Au Chun Kit

### Independent Non-executive Directors

Prof. Luk Ting Kwong

Mr. Ko Ming Kin

Dr. Wan Cho Yee

### AUDIT COMMITTEE

Mr. Ko Ming Kin (*Chairman*)

Dr. Wan Cho Yee

Prof. Luk Ting Kwong

### NOMINATION COMMITTEE

Prof. Luk Ting Kwong (*Chairman*)

Dr. Wan Cho Yee

Mr. Choy Chi Fai

### REMUNERATION COMMITTEE

Dr. Wan Cho Yee (*Chairman*)

Mr. Ko Ming Kin

Mr. Choy Chi Fai

### COMPANY SECRETARY

Ms. Tang Wing Shan

### AUTHORISED REPRESENTATIVES

Mr. Choy Chi Fai

Ms. Tang Wing Shan

### INDEPENDENT AUDITOR

Wellink CPA Limited

*Certified Public Accountants*

### SOLICITOR

Michael Li & Co.

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

CMB Wing Lung Bank Limited

## REGISTERED OFFICE

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office E, 28/F., EGL Tower

83 Hung To Road

Kwun Tong, Kowloon

Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F.

148 Electric Road

North Point

Hong Kong

## LISTING INFORMATION

Place of Listing: The Main Board of The Stock Exchange of Hong Kong Limited

Stock Code: 2031

Board Lot: 5,000 shares

## COMPANY WEBSITE

[www.ausupreme.com](http://www.ausupreme.com)



AUSupreme Website



AUSupreme TMALL.HK



AUSupreme WeChat



AUSupreme facebook

The board (the “Board”) of directors (the “Directors”) of Ausupreme International Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (together as the “Group”) for the six months ended 30 September 2021, together with the relevant comparative figures as follows:

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue</b>			
Cost of sales	4(a)	63,392 (10,892)	41,190 (7,477)
<b>Gross profit</b>		<b>52,500</b>	33,713
Other income	5(a)	484	9,193
Other net gains	5(b)	255	1,898
Selling and distribution expenses		(39,166)	(30,758)
General and administrative expenses		(13,845)	(10,661)
<b>Operating profit</b>		<b>228</b>	3,385
Finance costs	6	(177)	(314)
<b>Profit before taxation</b>	6	<b>51</b>	3,071
Income tax expense	7	(260)	(261)
<b>(Loss)/Profit for the period attributable to owners of the Company</b>		<b>(209)</b>	2,810
<b>Other comprehensive (expense)/income:</b>			
Item that will not be reclassified to profit or loss:			
Fair value changes of equity investment at fair value through other comprehensive income (“FVTOCI”)		(1,284)	(505)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of operations based outside Hong Kong		(34)	17
Other comprehensive expense for the period, net of tax		(1,318)	(488)
<b>Total comprehensive (expense)/income for the period attributable to owners of the Company</b>		<b>(1,527)</b>	2,322
		<b>HK Cent</b>	HK Cent
(Loss)/Earnings per share attributable to owners of the Company			
— basic and diluted	9	(0.03)	0.37

# Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		26,268	27,243
Rental deposits		2,320	3,619
Right-of-use assets		10,637	11,181
Equity investment at FVTOCI	10	4,222	5,506
Prepayment for properties		17,853	17,853
Deferred tax assets		1,169	1,098
		<b>62,469</b>	66,500
<b>Current assets</b>			
Inventories		15,972	14,445
Trade and other receivables	11	18,208	18,994
Income tax recoverable		1,750	1,750
Time deposits		17,865	40,495
Bank balances and cash		85,239	59,987
		<b>139,034</b>	135,671
<b>Current liabilities</b>			
Trade and other payables	12	12,121	9,988
Dividend payable		7,627	57
Lease liabilities		9,974	10,855
Provisions		545	392
Income tax payable		773	974
		<b>31,040</b>	22,266
<b>Net current assets</b>		<b>107,994</b>	113,405
<b>Total assets less current liabilities</b>		<b>170,463</b>	179,905
<b>Non-current liabilities</b>			
Lease liabilities		3,116	3,259
Provisions		267	419
		<b>3,383</b>	3,678
<b>NET ASSETS</b>		<b>167,080</b>	176,227
<b>CAPITAL AND RESERVES</b>			
Share capital	13	7,620	7,620
Reserves		159,460	168,607
<b>Total equity attributable to owners of the Company</b>		<b>167,080</b>	176,227

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Equity investment at FVTOCI reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	
<b>Balance at 31 March 2021 (Audited) and 1 April 2021</b>	7,620	91,288	(1,688)	(92)	1,546	77,553	176,227
<b>Changes in equity for the six months ended 30 September 2021:</b>							
Loss for the period	—	—	—	—	—	(209)	(209)
Other comprehensive expense:							
— Fair value changes of equity investment at FVTOCI	—	—	(1,284)	—	—	—	(1,284)
— Exchange differences on translation of operations based outside Hong Kong	—	—	—	(34)	—	—	(34)
Total comprehensive expense for the period	—	—	(1,284)	(34)	—	(209)	(1,527)
2021 Final dividend declared ( <i>Note 8</i> )	—	—	—	—	—	(7,620)	(7,620)
<b>Balance at 30 September 2021 (Unaudited)</b>	7,620	91,288	(2,972)	(126)	1,546	69,724	167,080

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Equity investment at FVTOCI reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	
Balance at 31 March 2020 (Audited) and 1 April 2020	7,620	91,288	—	(117)	1,546	81,329	181,666
<b>Changes in equity for the six months ended 30 September 2020:</b>							
Profit for the period	—	—	—	—	—	2,810	2,810
Other comprehensive income/(expense):							
— Fair value changes of equity investment at FVTOCI	—	—	(505)	—	—	—	(505)
— Exchange differences on translation of operations based outside Hong Kong	—	—	—	17	—	—	17
Total comprehensive income for the period	—	—	(505)	17	—	2,810	2,322
2020 Final dividend declared ( <i>Note 8</i> )	—	—	—	—	—	(7,620)	(7,620)
<b>Balance at 30 September 2020 (Unaudited)</b>	7,620	91,288	(505)	(100)	1,546	76,519	176,368

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Operating activities</b>		
Profit before taxation	51	3,071
Adjustments for:		
Depreciation of property, plant and equipment	991	1,125
Depreciation of right-of-use assets	6,449	7,085
Interest income	(77)	(698)
(Write-back of provision)/Provision for obsolete inventories	(388)	959
Loss on write-off of property, plant and equipment	3	—
Finance costs	177	314
Operating cash flow before movement in working capital	7,206	11,856
Increase in inventories	(1,139)	(1,561)
Decrease in trade and other receivables	2,085	2,178
Increase in trade and other payables	2,133	3,991
<b>Cash generated from operations</b>	10,285	16,464
Overseas income tax paid	(527)	(730)
<b>Net cash generated from operating activities</b>	9,758	15,734
<b>Investing activities</b>		
Payment for purchase of property, plant and equipment	(19)	(44)
Withdrawal/(Placement) of time deposits	22,630	(675)
Interest received	77	698
<b>Net cash generated from/(used in) investing activities</b>	22,688	(21)
<b>Financing activities</b>		
Repayment of lease liabilities	(6,929)	(6,789)
Dividend paid to the equity holders	(50)	—
Interest paid	(177)	(314)
<b>Net cash used in financing activities</b>	(7,156)	(7,103)
Net increase in cash and cash equivalents	25,290	8,610
Effect of foreign exchange rate changes, net	(38)	16
Cash and cash equivalents at the beginning of the period	59,987	54,935
<b>Cash and cash equivalents at the end of the period</b>	85,239	63,561

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 17 April 2015 and is an investment holding company. Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business is Office E, 28/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Group is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products managed by the Group.

The issued ordinary shares of the Company were initially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 September 2016 (the "**Listing**").

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2021 (the "**Condensed Consolidated Interim Financial Statements**") are presented in Hong Kong dollars ("**HK\$**") and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. BASIS OF PREPARATION

The unaudited Condensed Consolidated 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**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis.

The unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report of the Company for the year ended 31 March 2021.

The Condensed Consolidated Interim Financial Statements have not been audited nor reviewed by the independent auditor of the Company but have been reviewed by the audit committee of the Board (the "**Audit Committee**").

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the unaudited Condensed Consolidated Interim Financial Statements are the same as those followed in the preparation of the Group's financial statements for the year ended 31 March 2021, except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA that are relevant for the preparation of the Condensed Consolidated Interim Financial Statements and mandatorily effective for the annual period beginning on or after 1 April 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7,  
HKFRS 9 and HKFRS 16

Amendments to HKFRS 16

Interest Rate Benchmark Reform — Phase 2

Covid-19-Related Rent Concessions beyond  
30 June 2021

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

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 4. REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are retail and wholesale of health and personal care products during the period.

Revenue represents the sales value of goods supplied to customers. The amounts of each significant category of revenue during the period, all of which represented revenue recognized by the Group from contracts with customers, are as follows:

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Specialty stores	18,480	14,882
Consignment counters	32,730	17,220
E-commerce	7,133	7,304
Other sales channels	5,049	1,784
	<b>63,392</b>	41,190

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Health supplement products	60,723	39,228
Personal care products	1,882	1,081
Honey and pollen products	787	881
	<b>63,392</b>	41,190

For the six months ended 30 September 2021 and 2020, all revenue was recognized on a point in time basis.

The performance obligation is satisfied, and hence the revenue is recognized upon the delivery of the health and personal care products to the customers or, in case of consignment sales through consignees, upon collection of the products by end-customers, which is the point of time when customer has the ability to direct the use of products and obtains substantially all of the remaining benefits of the products. The payment terms are generally within 0 to 60 days.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 4. REVENUE AND SEGMENT REPORTING — continued

### (b) Segment reporting

HKFRS 8 “Operating Segments” requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group’s chief operating decision maker (i.e. the executive Directors) for the purpose of resources allocation and performance assessment. The chief operating decision maker reviews the financial performance and position of the Group as a whole and on this basis, the Group has determined that it has only one operating segment which is the retail and wholesale of health and personal care products.

## 5. OTHER INCOME AND OTHER NET GAINS

### (a) Other income

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Bank interest income on bank deposits	77	698
Government grants ( <i>Note i</i> )	23	6,951
Rent concession income ( <i>Note ii</i> )	165	1,491
Others	219	53
	<b>484</b>	<b>9,193</b>

Notes:

- (i) During the six months ended 30 September 2021, the grants of approximately HK\$23,000 were granted from subsidy schemes launched by the government of the Republic of Singapore (“**Singapore**”). There were no grants from subsidy schemes launched by the governments of the Hong Kong Special Administrative Region (the “**SAR**”) and the Macau SAR during the six months ended 30 September 2021.

During the six months ended 30 September 2020, government grants were cash subsidies granted by the government of the Hong Kong SAR under the Anti-epidemic Fund amounting to HK\$960,000 from the Retail Sector Subsidy Scheme granted to 12 eligible specialty stores of the Group, approximately HK\$5,596,000 from the Employment Support Scheme and HK\$20,000 from One-off Subsidy (Goods Vehicles) for 2 eligible goods vehicles. The remaining grants of approximately HK\$375,000 were granted from other subsidy schemes launched by the governments of the Macau SAR and Singapore.

The Group has complied with all of the conditions for these government grants for the six months ended 30 September 2021 and 2020 and recognized the amounts in profit or loss under “other income”.

- (ii) The rent concession income is mainly related to the outbreak of the novel coronavirus disease 2019 (the “**COVID-19**”). Certain landlords have offered different extents of rent concession.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 5. OTHER INCOME AND OTHER NET GAINS — continued

### (b) Other net gains

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss on write-off of property, plant and equipment	(3)	—
Net foreign exchange gains	258	1,898
	<b>255</b>	1,898

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	991	1,125
Depreciation of right-of-use assets	6,449	7,085
Minimum lease payments in respect of properties	86	51
Net foreign exchange gains	(258)	(1,898)
Loss on write-off of property, plant and equipment	3	—
Cost of inventories	10,892	7,477
(Write-back of provision)/Provision for obsolete inventories	(388)	959
Consignment expenses ( <i>Note</i> )	13,049	6,807
Finance costs:		
— Interest on lease liabilities	177	314

*Note:* Fees paid to consignees for sales of health and personal care products made through the consignment counters are included in "selling and distribution expenses".

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax Provision for the period	22	208
Current tax — Overseas Provision for the period	309	114
Deferred tax Origination and reversal of temporary differences	(71)	(61)
<b>Total</b>	<b>260</b>	261

For the six months ended 30 September 2021 and 2020, the Hong Kong Profits Tax for one of the elected Hong Kong subsidiaries is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Taxation for other Group's entities in Hong Kong is calculated using the statutory rate of 16.5%.

Accordingly, the provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rates regime. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in relevant tax jurisdictions.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 8. DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2021 (2020: Nil).

A final dividend in respect of the year ended 31 March 2021 of HK1 cent (2020: HK1 cent) per ordinary share, amounting to HK\$7,620,000 (2020: HK\$7,620,000) in aggregate, was declared pursuant to the resolution passed by the Board on 29 June 2021 and the approval of the shareholders of the Company (the "Shareholder(s)") at the annual general meeting of the Company held on 3 September 2021. This final dividend was paid on 8 October 2021.

## 9. (LOSS)/EARNINGS PER SHARE

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

	<b>Six months ended 30 September</b>	
	<b>2021 (Unaudited)</b>	2020 (Unaudited)
(Loss)/Earnings:		
(Loss)/Profit for the period attributable to owners of the Company (HK\$'000)	<b>(209)</b>	2,810
Number of shares:		
Weighted average number of ordinary shares in issue	<b>762,000,000</b>	762,000,000
Basic and diluted (loss)/earnings per share (HK cent)	<b>(0.03)</b>	0.37

The Company did not have any potential ordinary shares outstanding during the six months ended 30 September 2021 and 2020, and hence, diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 10. EQUITY INVESTMENT AT FVTOCI

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Unlisted investments:		
— Equity securities	4,222	5,506

On 30 March 2020, the Group entered into a share subscription agreement (the “**Agreement**”) with Homart Group Pty Limited (“**Homart**”), which is an unlisted entity in Australia. Pursuant to the Agreement, the Group invested in 0.7% ordinary shares of Homart in the amount of approximately HK\$7,194,000 (AUD1,500,000) which primarily engaged in manufacturing and sale of Australian made health supplements products. The Directors have elected to designate this investment in equity investment at FVTOCI as they believe that recognizing short-term fluctuations in this investment’s fair value in profit or loss would be inconsistent with the Group’s strategy of holding this investment for long-term purpose and realizing its performance potential in the long run.

The fair value of the Group’s investment in Homart is determined based on the valuation techniques using market approach by LCH (Asia-Pacific) Surveyors Limited, an independent qualified professional valuer. For the six months ended 30 September 2021, the fair value changes in equity investment at FVTOCI of approximately HK\$1,284,000 (2020: HK\$505,000) was recognized as an item of expense that will not be reclassified to profit or loss in the consolidated statement of profit or loss and other comprehensive income and reflected in the consolidated statement of changes in equity as equity investment at FVTOCI reserve.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Trade receivables	<b>9,405</b>	11,109
Other receivables	<b>993</b>	729
Deposits and prepayments ( <i>Note</i> )	<b>7,810</b>	7,156
	<b>18,208</b>	18,994

*Note:* Deposits and prepayments comprised mainly current portion of rental deposits and prepaid operating expenses.

The Group usually allows a credit period ranging from 0 to 60 days to its trade customers and consignees. The ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Within 30 days	<b>4,062</b>	4,531
31–60 days	<b>3,535</b>	3,032
61–90 days	<b>1,630</b>	3,094
Over 90 days	<b>178</b>	452
	<b>9,405</b>	11,109

The management of the Group closely monitors the credit quality of trade receivables and considers the debtors that are neither past due nor impaired to be of a good credit quality. Before accepting any new customer or consignee, the Group's management will assess the potential customer's or consignee's credit quality and determine the credit limits of each customer or consignee. Credit limits attributable to customers or consignees are reviewed periodically.

The Group has a policy for allowance of impairment loss which is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer or consignee.

Based on the historical experience of the Group, trade receivables that are past due but not impaired are generally recoverable.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 12. TRADE AND OTHER PAYABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Trade payables ( <i>Note a</i> )	4,120	1,700
Contract liabilities ( <i>Note b</i> )	1,127	821
Accrued staff costs	4,721	5,419
Other accruals and payables	2,153	2,048
	<b>12,121</b>	9,988

*Notes:*

- (a) The ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Within 30 days	2,779	393
31–90 days	1,341	1,307
	<b>4,120</b>	1,700

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 12. TRADE AND OTHER PAYABLES — continued

Notes: — continued

(b) Details of contract liabilities are as follows:

	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Receipt in advance from customers	1,127	821

Contract liabilities are receipt in advance from customers to deliver health and personal care products. All the balance as at 31 March 2021 was recognized to revenue during the current interim period.

## 13. SHARE CAPITAL

	30 September 2021 (Unaudited)		31 March 2021 (Audited)	
	Number of Shares	Share capital HK\$'000	Number of Shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each in the share capital of the Company ("Share(s)")				
Authorized:				
At beginning of period/year and at end of period/year	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
At beginning of period/year and at end of period/year	762,000,000	7,620	762,000,000	7,620

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2021

## 14. MATERIAL RELATED PARTY TRANSACTIONS

For the purposes of these Condensed Consolidated Interim Financial Statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant Shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The Directors are of the view that the following company is a related party that had transactions or balances with the Group as it is controlled by certain Directors:

— Prof Kiu International Limited (“Prof Kiu”)

(i) The Group had the following transactions with related parties during the six months ended 30 September 2021 and 2020 which the Directors consider to be material:

	<b>Six months ended 30 September</b>	
	<b>2021 HK\$'000 (Unaudited)</b>	<b>2020 HK\$'000 (Unaudited)</b>
Payment of lease liabilities	390	300

The above payments were paid to Prof Kiu in accordance with the terms of underlying contracts. The Directors are of the opinion that the above transactions were entered in normal course of business.

(ii) Lease liabilities payable to Prof Kiu:

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	<b>31 March 2021 HK\$'000 (Audited)</b>
	Within 1 year	960
After 1 year but within 5 years	1,680	—
	<b>2,640</b>	<b>150</b>

# Management Discussion and Analysis

## BUSINESS REVIEW

The Group is principally a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products. For the six months ended 30 September 2021 (the “**Period**”), the Group recorded a loss attributable to owners of the Company amounted to HK\$209,000, as compared to the profit attributable to owners of the Company amounted to HK\$2,810,000 for the six months ended 30 September 2020 (the “**Last Period**”). The change from profit to loss was mainly attributable to the absence of grants from the Hong Kong Government and great reduction of rent concession income in the Period as compared to the Last Period which included a total of HK\$8,442,000 government grants and rent concession income from various landlords due to the COVID-19.

The recovery of overall retail market in Hong Kong has been hindered by the ongoing COVID-19 pandemic during the Period. The overall retail condition has still been weakened because the inbound tourism was virtually frozen by stringent border controls and travel restrictions. Nevertheless, the stable local epidemic situation with only a few imported cases per day together with the launch of consumption voucher scheme improved the local consumer sentiment. Meanwhile, the Group’s optimization of sales channels and proactive marketing strategies boost the sales performance for the Period.

During the Period, the Group’s revenue amounted to HK\$63,392,000, representing an impressive increase of 53.9% from HK\$41,190,000 for the Last Period. In face of the unprecedented challenges to the retail industry, the Group is committed to continuously optimizing its business strategies to adapt to the changing business environment.

As at 30 September 2021, the Group had 16 specialty stores and 66 consignment counters (31 March 2021: 16 specialty stores and 74 consignment counters) in Hong Kong, Macau and Singapore, among which 13 consignment counters have still been closed temporarily due to the COVID-19 epidemic and the stringent controls of Hong Kong’s borders by the government. The Group will continue to identify carefully suitable locations for the specialty stores and other sales channels to maximize its exposure to target customers.

# Management Discussion and Analysis

## FINANCIAL REVIEW

The prolonged outbreak of the COVID-19 pandemic with stringent border controls has posed a significant adverse impact on overall retail market. Nevertheless, the revenue of the Group recorded an impressive increase in the Period as compared to the Last Period with the Group's optimization of sales channels and marketing strategies. During the Period, the Group's revenue increased by 53.9% to HK\$63,392,000 (2020: HK\$41,190,000) while recorded a consolidated loss attributable to owners of the Company of HK\$209,000, as compared to the profit attributable to owners of the Company of HK\$2,810,000 for the Last Period. The change from profit to loss will be analyzed below.

The following table sets forth the breakdown of the Group's revenue by categories of products for the six months ended 30 September 2021 and 2020:

	For the six months ended 30 September			
	2021		2020	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Health supplement products	60,723	95.8%	39,228	95.2%
Personal care products	1,882	3.0%	1,081	2.6%
Honey and pollen products	787	1.2%	881	2.2%
<b>Total</b>	<b>63,392</b>	<b>100.0%</b>	<b>41,190</b>	<b>100.0%</b>

During the Period, the Group's revenue attributable to (i) health supplement products increased by 54.8% to HK\$60,723,000 (2020: HK\$39,228,000); (ii) personal care products increased by 74.1% to HK\$1,882,000 (2020: HK\$1,081,000); and (iii) honey and pollen products dropped by 10.7% to HK\$787,000 (2020: HK\$881,000). The improved sales performance was mainly due to the Group's proactive marketing strategies such as attractive discount offers, promotional campaigns through social media platforms and advertising on TV and public transportation.

The table below sets forth the breakdown of the Group's revenue by sales channels for the six months ended 30 September 2021 and 2020:

	For the six months ended 30 September			
	2021		2020	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Specialty stores	18,480	29.1%	14,882	36.1%
Consignment counters	32,730	51.6%	17,220	41.8%
E-commerce	7,133	11.3%	7,304	17.8%
Other sales channels	5,049	8.0%	1,784	4.3%
<b>Total</b>	<b>63,392</b>	<b>100.0%</b>	<b>41,190</b>	<b>100.0%</b>

# Management Discussion and Analysis

During the Period, revenue from sales channels of specialty stores and consignment counters rose by 24.2% to HK\$18,480,000 (2020: HK\$14,882,000) and 90.1% to HK\$32,730,000 (2020: HK\$17,220,000), respectively. The increases were attributable to (i) a rebound in consignment revenue from Macau as a result of border reopening in Macau; and (ii) the stable local epidemic situation in Hong Kong together with the launch of consumption voucher scheme which reignited the local consumer sentiment. For the six months ended 30 September 2021, revenue derived from e-commerce dropped slightly by 2.3% to HK\$7,133,000 (2020: HK\$7,304,000) while revenue derived from other sales channels increased by 183.0% to HK\$5,049,000 (2020: HK\$1,784,000). The growth in revenue from other sales channels was as a result of the change in the sales method of one consignee from consignment to wholesale.

The cost of sales increased by HK\$3,415,000 or 45.7% to HK\$10,892,000 for the Period as compared to that of HK\$7,477,000 for the Last Period. The increase was mainly attributable to the boost of revenue for the Period. The gross profit ratio has remained stable at 82.8% for the six months ended 30 September 2021 (2020: 81.8%).

The selling and distribution expenses of the Group rose by 27.3% to HK\$39,166,000 for the six months ended 30 September 2021 (2020: HK\$30,758,000). This increase was mainly attributable to the increase in consignment commission and the sales staff cost as a result of the growth in revenue and the implementation of proactive marketing strategies.

The general and administrative expenses of the Group increased by 29.9% to HK\$13,845,000 for the Period (2020: HK\$10,661,000). The increase was mainly due to the raise in staff cost and remuneration.

No finance costs for bank borrowings were incurred for the six months ended 30 September 2021 and 2020 as the Group did not have any bank borrowings for the periods. The Group's finance cost of interest expense on lease liabilities amounted to HK\$177,000 for the Period (2020: HK\$314,000) was incurred as a result of the application of Hong Kong Financial Reporting Standard 16 "Leases".

The Group's revenue was mainly derived in Hong Kong, Macau and Singapore during the Period. For the six months ended 30 September 2021, income tax expense was HK\$260,000 (2020: HK\$261,000). The provision for Hong Kong Profits Tax has been provided in accordance with two-tiered profits tax rates regime; the first HK\$2,000,000 of assessable profits of a qualifying corporation of the Group is taxed at 8.25% and the assessable profits above HK\$2,000,000 are taxed at 16.5%. The assessable profits of group entities not qualified for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

The other income of the Group has shrunk by 94.7% to HK\$484,000 for the Period (2020: HK\$9,193,000). The drop was mainly attributable to the absence of grants from the Hong Kong Government and great reduction of rent concession income in the Period as compared to the Last Period which included a total of HK\$8,442,000 government grants and rent concession income from various landlords due to the COVID-19.

As a result of the above factors, there was a loss attributable to owners of the Company for the six months ended 30 September 2021 of HK\$209,000 as compared to a profit of HK\$2,810,000 for the Last Period.

For the six months ended 30 September 2021, the Group recorded a basic loss per share of HK0.03 cent as compared to the basic earnings per share of HK0.37 cent for the Last Period, the calculation of which is based on the loss for the period attributable to owners of the Company of HK\$209,000 (2020: profit attributable to owners of the Company of HK\$2,810,000) and the weighted average number of 762,000,000 Shares in issue during the Period (2020: 762,000,000 Shares). Diluted loss or earnings per share is the same as the basic loss or earnings per share because the Company had no dilutive potential ordinary shares during the six months ended 30 September 2021 and 2020.

# Management Discussion and Analysis

## LIQUIDITY

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The main objective is to utilize the funding efficiently and to manage the financial risks effectively. The Group generally meets its working capital requirements from its internally generated funds, and maintains a healthy financial position.

As at 30 September 2021, the Group had net current assets and net assets of HK\$107,994,000 (31 March 2021: HK\$113,405,000) and HK\$167,080,000 (31 March 2021: HK\$176,227,000), respectively. As at 30 September 2021, the current ratio calculated based on current assets divided by current liabilities of the Group was approximately 4.5 (31 March 2021: 6.1).

Bank balances and cash and time deposits held by the Group amounted to HK\$103,104,000 as at 30 September 2021 (31 March 2021: HK\$100,482,000), of which HK\$85,239,000 (31 March 2021: HK\$59,987,000) was bank balances and cash and HK\$17,865,000 (31 March 2021: HK\$40,495,000) was non-pledged time deposits with original maturity of over three months. They were mainly denominated in Hong Kong dollars, Japanese yen, Australian dollars and Renminbi.

## OTHER FINANCIAL RESOURCES AND GEARING

As at 30 September 2021 and 31 March 2021, the Group did not have any bank borrowings and therefore, a gearing ratio (calculated based on the interest-bearing liabilities, which excluded lease liabilities, divided by the total equity as at the respective end of period/year and multiplied by 100%) was not applicable as at 30 September 2021 and 31 March 2021.

## FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Japanese yen, Australian dollars and Renminbi. The Group currently does not have any foreign currency hedging policy. However, the Group maintains a conservative approach in treasury management by constantly monitoring foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The management will continue to monitor the foreign exchange exposure and will take prudent measures when needed.

## CAPITAL COMMITMENTS

As at 30 September 2021, the Group did not have any capital commitments (31 March 2021: Nil).

## MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group had no material investments, acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2021 (2020: Nil).

# Management Discussion and Analysis

## CONTINGENT LIABILITIES

As at 30 September 2021, the Group had no material contingent liabilities (31 March 2021: Nil).

## EMPLOYEE INFORMATION

As at 30 September 2021, the Group had 165 (31 March 2021: 164) employees, including part-time staff. The Group remunerates employees based on their performance and experience, the Group's results as well as prevailing market conditions. In addition to salary and commission payment to staff, other staff benefits include a share option scheme, discretionary bonus, staff discount on purchases and internal training.

## DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2021 (2020: Nil).

## PROSPECTS

The COVID-19 epidemic situation has continued to affect all walks of life for the past two years and in the near future. With mutation of the virus strains and the relaxation of pandemic control measures, the number of new confirmed cases of COVID-19 in some countries has reached to a new record high recently even with strong vaccination rates. Winter is fast approaching and COVID-19 survives longer in environment with lower temperature and less humidity, new waves of pandemic may occur anywhere. Nevertheless, people around the globe have begun to adapt the life of "new normal" and some countries implement the "living with the virus" policies.

In Hong Kong, the epidemic situation has been stabilized and the consumer sentiments has been steadily recovered. With the news that Hong Kong's border with mainland China will soon be reopened to quarantine-free travel, it comes hope that the city might finally be released from its prolonged status of coronavirus-induced isolation. Local exhibitions and sale events have been reopened and the Group has endeavoured and treasured the time in each exposition to promote the high-quality healthcare products of the Group to all existing and new customers.

With increased pedestrian flow in local retail shops during steady epidemic conditions, the Group will strategically expand the physical sales network to prime retail locations and allocate resources to hire professional health consultants to elevate overall in-store experience of the customers and foster sales. Constant review of each sales channel is performed to ensure resources are utilized to sustain growth. Meanwhile, the offline and online integration will be continued to provide seamless quality shopping experiences to valuable customers. Proactive marketing plans with attractive promotions and various customer-interactive activities in social media are launched to attract new customers, boost repurchase rates and build customers' loyalty.

In summary, the pandemic and other macroeconomic variables may affect the speed of market recovery. Regardless of the headwinds ahead, the Group is determined to continue offering quality products and sincere services to the customers, as well as exploring and seizing new business opportunities to flourish long-term corporate growth.

# Corporate Governance and Other Information

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or 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")), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

### (i) Long positions in the Shares

Name of Directors	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total issued Shares
Mr. Choy Chi Fai	Interest in a controlled corporation ( <i>Note</i> )	425,340,000	55.82%
Ms. Ho Ka Man	Interest in a controlled corporation ( <i>Note</i> )	425,340,000	55.82%

*Note:* Each of Mr. Choy Chi Fai and Ms. Ho Ka Man (together as a group of the controlling shareholders) owns 50% of the issued share capital of Beatitudes International Ltd. ("**Beatitudes**"). Beatitudes is a company incorporated in the British Virgin Islands (the "**BVI**") and is considered as the parent and ultimate parent company of the Company. On 31 August 2021, Beatitudes entered into a placing agreement with Upbest Securities Company Limited as the placing agent pursuant to which Beatitudes agreed to dispose of up to 137,160,000 Shares. Following the completion of the placing on 13 September 2021, the number of Shares held by Beatitudes has been reduced from 562,500,000 Shares (representing approximately 73.82% of the issued share capital of the Company) to 425,340,000 Shares (representing approximately 55.82% of the issued share capital of the Company). As at 30 September 2021, Beatitudes was the beneficial owner holding approximately 55.82% shareholding interest in the Company and thus, each of Mr. Choy Chi Fai and Ms. Ho Ka Man was deemed or taken to be interested in all the Shares which were beneficially owned by Beatitudes for the purpose of the SFO.

### (ii) Long positions in the ordinary shares of Beatitudes — an associated corporation of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary shares held	Percentage of the total issued ordinary shares of Beatitudes
Mr. Choy Chi Fai	Beneficial owner	50	50%
Ms. Ho Ka Man	Beneficial owner	50	50%

# Corporate Governance and Other Information

Save as disclosed above, as at 30 September 2021, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which had notified to the Company and the Stock Exchange under the SFO or pursuant to Section 352 of the SFO, entered in the register referred to therein or which were, pursuant to the Model Code, notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2021, so far as it is known by or otherwise notified to any Director or the chief executives of the Company, the corporation and the person named below (other than a Director or the chief executive of the Company) had a long position in the following Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

- Beatitudes, a company incorporated in the BVI, beneficially owned 425,340,000 Shares, representing approximately 55.82% shareholding interest of the Company as at 30 September 2021.
- Based on the latest information disclosed under the Disclosure of Interests Online System of the Stock Exchange as at 30 September 2021, Mr. Gao Yuan ("**Mr. Gao**") beneficially owned 89,225,000 Shares, representing approximately 11.71% shareholding interest of the Company as at 30 September 2021. In addition, based on the response of a participant of the central clearing and settlement system (the "**CCASS Participant**") to an investigation made by the Company pursuant to Section 329 of the SFO ("**Section 329 Enquiry**"), and to the best knowledge and information of the Directors, Mr. Gao beneficially owned 90,525,000 Shares, representing approximately 11.88% shareholding interest of the Company, through the CCASS Participant as at 30 September 2021. Based on another response of the CCASS Participant to another Section 329 Enquiry conducted by the Company, and to the best knowledge and information of the Directors, Mr. Gao beneficially owned 93,635,000 Shares, representing approximately 12.29% shareholding interest of the Company, through the CCASS Participant as at 22 November 2021.

Save as disclosed above, as at 30 September 2021, the Directors were not aware of any corporation which/person (other than a Director or the chief executive of the Company) who had interest or short position in the Shares or underlying Shares, which had been disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes to the information on the Directors are as follows:

Mr. Choy Chi Fai's monthly salary from subsidiaries of the Company in the People's Republic of China has been increased by RMB10,000 with effect from 1 August 2021.

# Corporate Governance and Other Information

## SHARE OPTION SCHEME

Pursuant to the written resolution of the sole Shareholder passed on 20 July 2016, the Company adopted a share option scheme (the “**Scheme**”) conditional upon the Listing. The Scheme became effective on 12 September 2016. As no share options have been granted under the Scheme since its adoption, there were no outstanding share options as at 30 September 2021, and no share options were exercised or cancelled or lapsed during the Period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Throughout the Period, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period or at the end of the Period was the Company, or its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “**CG Code**”) throughout the Period save for the deviation from code provision A.2.1 as follows:

Under code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

In view of the present composition of the Board, the in-depth knowledge of the chairman of the Board (the “**Chairman**”) (who is also a co-chief executive officer) of the operations of the Group and the health and personal care industry in general, his extensive business network and connections, and the scope of operations of the Group, the Board believes that it is in the best interest of the Group for Mr. Choy Chi Fai to assume the roles of both the Chairman and the co-chief executive officer. As all major decisions are made in consultation with all the members of the Board, with the three independent non-executive Directors offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

# Corporate Governance and Other Information

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

## PUBLIC FLOAT

References are made to the announcements (the "**Announcements**") of the Company dated 17 March 2020, 11 June 2020, 15 June 2020, 14 October 2020, 16 December 2020, 16 March 2021, 15 June 2021 and 13 September 2021 respectively in relation to, among others, the public float of the Company, the suspension of trading in the Shares on the Stock Exchange and the resumption of trading of the Shares on the Stock Exchange.

The public float of the Company dropped below the minimum percentage of public shareholders of 25% as prescribed by Rule 8.08 of the Listing Rules and inevitably caused the suspension of the trading in the Shares on the Stock Exchange from 16 March 2020 at the request of the Company.

On 31 August 2021, Beatitudes, the controlling Shareholder, entered into a placing agreement with Upbest Securities Company Limited as the placing agent pursuant to which Beatitudes agreed to dispose of up to 137,160,000 Shares (representing 18.00% of the issued share capital of the Company) (the "**Placing Shares**") held by Beatitudes (the "**Placing**").

The Placing was completed on 13 September 2021 and an aggregate of 137,160,000 Placing Shares were successfully placed by the placing agent to 21 placees. Following the completion of the Placing, a total of 247,435,000 Shares (representing approximately 32.47% of the issued share capital of the Company) are held by the public shareholders of the Company. As such, the public float of the Company has been restored and the Company is in compliance with Rule 8.08(1)(a) of the Listing Rules. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on Tuesday, 14 September 2021.

For more details, please refer to the Announcements.

According to the information that is publicly available to the Company and within the knowledge of the Directors, not less than 25% of the total number of the issued Shares were in the hands of the public as at 30 September 2021.

## AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprises three independent non-executive Directors. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures and review of the Group's financial information.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial results of the Group for the Period and this report.



# Corporate Governance and Other Information

## APPRECIATION

On behalf of the Board, I would like to express our gratitude to the Shareholders, business partners and customers for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By Order of the Board

**Ausupreme International Holdings Limited**

**Choy Chi Fai**

*Chairman, Executive Director and Co-Chief Executive Officer*

Hong Kong, 26 November 2021

*In case of any inconsistency between the English and Chinese versions, the English text of this report shall prevail over the Chinese text.*