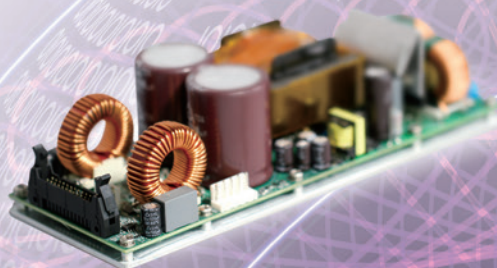


# KEEN OCEAN INTERNATIONAL HOLDING LIMITED

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

Stock Code : 8070



INTERIM  
REPORT  
2024





## **Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, 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 report.*

*This report, for which the directors (the “**Directors**”) of Keen Ocean International Holding Limited (the “**Company**” or “**Our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and will also be published on the Company’s website at [www.keenocean.com.hk](http://www.keenocean.com.hk).*



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# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

### **Executive directors**

Mr. Chung Chi Hang, Larry (*Chairman*)  
Mr. Chung Tin Shing  
Mr. Wong Shek Fai, Johnson

### **Independent non-executive directors**

Mr. Cheung Yee Tak, Jonathan  
Mr. Li Chung Pong, Stephen  
Mr. Lam Chon Loi

## **COMPANY SECRETARY**

Ms. Chau Hing Ling

## **COMPLIANCE OFFICER**

Mr. Wong Shek Fai, Johnson

## **BOARD COMMITTEES**

### **Audit committee**

Mr. Cheung Yee Tak, Jonathan (*Chairman*)  
Mr. Li Chung Pong, Stephen  
Mr. Lam Chon Loi

### **Nomination committee**

Mr. Li Chung Pong, Stephen (*Chairman*)  
Mr. Lam Chon Loi  
Mr. Chung Tin Shing

### **Remuneration committee**

Mr. Lam Chon Loi (*Chairman*)  
Mr. Cheung Yee Tak, Jonathan  
Mr. Chung Chi Hang, Larry

### **Risk management committee**

Mr. Chung Tin Shing (*Chairman*)  
Mr. Wong Shek Fai, Johnson  
Mr. Lam Chon Loi

## **AUTHORISED REPRESENTATIVES**

Mr. Chung Chi Hang, Larry  
Mr. Chung Tin Shing

## **COMPANY'S WEBSITE**

<http://www.keenocean.com.hk>

## **AUDITOR**

WM CPA Limited  
18/F, King's Commercial Centre  
25 King's Road  
Hong Kong

## **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **PRINCIPAL PLACE OF BUSINESS IN CHINA**

East of Xinggong Avenue  
and South of Keqi Road  
High-tech Development Zone  
Heyuan City  
Guangdong Province  
The PRC

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 3702, 37/F  
Cable TV Tower  
No. 9 Hoi Shing Road  
Tsuen Wan  
New Territories  
Hong Kong

## **PRINCIPAL BANKERS**

The Hong Kong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

DBS Bank (Hong Kong) Limited  
11th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

# CORPORATE INFORMATION

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR**

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

## **STOCK CODE**

8070

# MANAGEMENT DISCUSSION AND ANALYSIS

## **BUSINESS REVIEW**

During the period under review, the Group principally engaged in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products and other electronic parts and components. The Group sells its products domestically as well as overseas. Customers are mainly manufacturers and trading entities.

Most of the transformers and power supply products were manufactured and sold under the Group's brand name "Keen Ocean", while all electronic parts and components as well as electric healthcare products were sold on an original equipment manufacturer (OEM) basis. Among the products manufactured and sold, transformers remained the Group's flagship products and represented approximately 35.7% of the Group's sales for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately 48.0%). The switching mode power supply represented approximately 1.6% of the Group's sales for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately 0.7%). The electronic parts and components represented approximately 62.7% of the Group's sales for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately 50.8%). The electric healthcare products of the Group's sales for the six months ended 30 June 2024 was nil (for the six months ended 30 June 2023: approximately 0.5%).

Revenue generated by the Group decreased during the period as compared to the corresponding period in the previous year. This was mainly due to the slowdown in purchase orders for transformers and the general economic downturn weakening demand during the period under review.

Cost of sales decreased during the period under review in line with the decrease in sales.

The operating margin has increased during the period under review compared with the same period in 2023. This was mainly attributable to the increase in selling price of products and reduction in production waste and overall costs of production during the period under review.

During the period under review, the management of the Group stayed connected with existing customers and closely followed up with the revised delivery schedule in order to maintain and solidify business relationships. The Group continued to place advertisements in renowned industrial magazines. To further promote its products the Group has been attending trade exhibitions, physical marketing events and face to face meetings with existing and potential customers.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The Group's revenue decreased by approximately HK\$90.2 million, or 41.5%, from approximately HK\$217.3 million for the six months ended 30 June 2023 to approximately HK\$127.1 million for the six months ended 30 June 2024. Such decrease was primarily due to the economic downturn weakening the demand of the customers.

Cost of sales decreased by approximately HK\$89.3 million, or 46.9%, from approximately HK\$190.5 million for the six months ended 30 June 2023 to approximately HK\$101.2 million for the six months ended 30 June 2024. The decrease was in line with the decrease in revenue and was primarily due to the decrease in productions costs during the period under review.

As a result, the Group's gross profit decreased by approximately HK\$0.9 million, or 3.5%, from approximately HK\$26.8 million for the six months ended 30 June 2023 to approximately HK\$25.9 million for the six months ended 30 June 2024, while gross profit margin increased from 12.3% for the six months ended 30 June 2023 to 20.4% for the six months ended 30 June 2024. Such increase was mainly attributable to the strict control of material costs and the increase in selling price of products during the period under the review as compared with the same period in 2023.

Other income increased by approximately HK\$0.3 million or 15.0%, from approximately HK\$1.9 million for the six months ended 30 June 2023 to approximately HK\$2.2 million for the six months ended 30 June 2024. Such increase was mainly attributable to the increase in interest income received from fixed bank deposits in line with the increase in bank balances during the period under review.

Other gains decreased by approximately HK\$2.7 million, or 76.2%, from approximately HK\$3.6 million for the six months ended 30 June 2023 to approximately HK\$0.9 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the decrease in investment income from losses incurred from the Company's hedging policy during the period under review.

Selling and distribution expenses decreased by approximately HK\$1.3 million or 33.7%, from approximately HK\$3.9 million for the six months ended 30 June 2023 to approximately HK\$2.6 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the corresponding decrease in expenses as a result of the decrease in revenue during the period under review.

# MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses decreased by approximately HK\$1.1 million, or 7.1%, from approximately HK\$15.7 million for the six months ended 30 June 2023 to approximately HK\$14.6 million for the six months ended 30 June 2024. The decrease was mainly attributable to the conscious efforts to control and reduce costs given the decrease in revenue during the period under review.

Finance costs decreased by approximately HK\$0.5 million, or 31.2%, from approximately HK\$1.5 million for the six months ended 30 June 2023 to approximately HK\$1.0 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the decrease in bank loans during the period under review.

Income tax expenses decreased by HK\$0.7 million, or 55.4%, from approximately HK\$1.3 million for the six months ended 30 June 2023 to approximately HK\$0.6 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the overprovision of the Group's income tax expense in 2023 leading to reduction of the income tax expense provision for 2024.

As a result of the above, the Group recorded a profit of approximately HK\$10.1 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HK\$9.9 million).

## **PROSPECT**

Under the global economic recession, the Group has experienced a decrease in the demand of our products. We are aware of these challenges, and have identified several strategies to overcome these challenges.

The Group acknowledged that there was a rising demand of clean energy electronic components, especially inverters which are one of the major component parts in solar or wind energy systems. The Group produced inverters for a customer in Europe under an OEM basis it is anticipated that more and more new models will be developed with this customer. We also produced transformers for inverters for other customers worldwide. We will continue to search for customers in this field as it is one of the fastest growing market.

The electric vehicle market is another fast growing market identified by the Group. Our Group has made use of existing technology to develop and produce high frequency inductors for this market. We have piloted production of these products with some customers in this market. We expect the revenue from this product will make up a larger share of our future revenue.

We are also searching for strategic partners in South East Asia that can act as our production base outside of China. This strategic direction will assist to limit the effect of the US tariff and enable us to be more competitive in the US market.

Last but not least, the Group will take all appropriate measures to maximize the efficiency and effectiveness in production processes and to minimize the production costs.



# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's source of funds was primarily from the cash generated from operating activities. The Group also utilised bank borrowings to finance its operations. As at 30 June 2024, the Group had a healthy financial position with net assets amounted to approximately HK\$107.3 million (31 December 2023: approximately HK\$98.1 million). Net current assets stood at approximately HK\$67.0 million (31 December 2023: approximately HK\$63.2 million).

As at 30 June 2024, the shareholder's fund amounted to approximately HK\$107.3 million (31 December 2023: approximately HK\$98.1 million). Current assets amounted to approximately HK\$192.8 million (31 December 2023: approximately HK\$175.5 million), mainly comprising inventories, trade and other receivables and prepayments, investment at fair value through profit or loss, pledged bank deposits, short-term deposits, and bank and cash balance. Current liabilities amounted to approximately HK\$125.8 million (31 December 2023: approximately HK\$112.3 million), mainly comprising trade and other payables and accruals, contract liabilities, bank borrowings and overdrafts, lease liabilities and current tax liabilities.

As at 30 June 2024, the Group's bank and cash balance amounted to approximately HK\$22.7 million (31 December 2023: approximately HK\$11.7 million). Net asset value per share was HK\$0.54 (31 December 2023: HK\$0.49).

As at 30 June 2024, the gearing ratio of the Group, which is based on the ratio of interest bearing borrowings net of bank and cash balance to total equity, was approximately 0.07 (31 December 2023: approximately 0.26). Such decrease was mainly due to (i) the decrease in the bank borrowings; and (ii) increase in bank and cash balances from operations during the period under review.

The Group's source of funds can further be obtained by using a combination of cash generated from operating services, bank borrowings and net proceeds from other funds raised from the capital market from time to time.

## CAPITAL EXPENDITURE

As at 30 June 2024, the Group's financial capital expenditures were approximately HK\$7.8 million. This amount was primarily due to the addition in plant and equipment. As at 30 June 2023, the Group's financial capital expenditures (from acquired property, plant, and equipment) were approximately HK\$23.7 million. For the year ended 31 December 2023, the Group incurred capital expenditures in respect of property, plant, and equipment additions, amounting to approximately HK\$26.5 million.

## CAPITAL STRUCTURE

The Group maintains a prudent funding and treasury policy and the management is responsible for monitoring its funding requirements and performing ongoing liquidity review. As at 30 June 2024, the issued share capital of the Group comprised only ordinary shares. The capital structure of the Group mainly consists of borrowings from bank and equity attributable to owners of the Group, comprising issued share capital and retained earnings respectively. Borrowings from bank were denominated in Hong Kong dollars which were secured by pledged bank deposits and trade receivables of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FOREIGN EXCHANGE EXPOSURE

The sales of the Group are mainly denominated in US dollars. However, the Group has certain foreign currency sales and purchases transactions denominated in Renminbi and Hong Kong dollars, which may expose the Group to foreign currency risk. The Group currently has no foreign currency hedging policy and the management of the Group monitors the foreign exchange exposure by closely monitoring the movement of foreign currency rates. Nevertheless, the Group will consider hedging significant foreign currency exposure should the need arises.

## SIGNIFICANT INVESTMENT HELD

As at 30 June 2024, the Group did not have any significant investment held (31 December 2023: nil).

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

## CAPITAL COMMITMENT

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

## EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had approximately 465 employees (31 December 2023: approximately 458 employees), including the Directors. Total staff costs excluding Directors' remuneration for the six months ended 30 June 2024 amounted to approximately HK\$20.4 million (for the six months ended 30 June 2023: approximately HK\$24.6 million). Remuneration packages including staff benefits are maintained at a competitive level and reviewed on a periodic basis. Employees' remunerations and related benefits are determined with reference to their performance, qualifications, experience, positions and the performance of the Group. Ongoing training on quality control and production facilities operations is provided to employees, with relevant procedural and operational guidelines formulated.

## CHARGES ON THE GROUP'S ASSETS

The following assets of the Company were pledged at the end of the reporting period for certain banking facilities granted to the Company:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Land and buildings	<b>21,246</b>	21,463
Pledged bank deposits	<b>6,522</b>	10,810
Trade receivables	<b>16,350</b>	706
	<b>44,118</b>	32,979

# MANAGEMENT DISCUSSION AND ANALYSIS

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the six months ended 30 June 2024, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

In view of the national economic recovery, the Group has surplus cash funds from its business operations. As a result, there is a growing need for treasury management to improve the Group's overall capital efficiency, hence Group Management had invested not more than 30% of its cash-in-hand at any material time in short-term and low-risk investments in listed securities in Hong Kong as well as other related investment products offered by banks and other financial institutions subject to certain conditions. Such conditions include, but not limited to, all securities invested by the Group should not exceed an investment period of twelve months; the aggregate amount of funds to be invested in any securities should not exceed the cashflow needs of the Group for the next six months at any material time and detailed descriptions of the securities should be submitted for consideration and prior approval at the meetings of the Board. Funding for these investments will come from idle funds and will not impact the Group's operational liquidity and fund security.

Other than the above, the Group did not have any plans for material investments and capital assets.

## **CHANGE OF SHAREHOLDING STRUCTURE OF THE COMPANY**

On 26 January 2024, Century Lead International Limited (the "**Offeror**", whose sole shareholder and sole director is Mr. Chung Chi Wai ("**Mr. Chung**") and Cyber Goodie Limited (the "**Vendor**", the entire issued share capital of which is owned by Mr. Chung Chi Hang, Larry, an executive Director and the Chairman of the Company, and the younger brother of Mr. Chung), entered into a sale and purchase agreement (the "**SPA**"), pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell, 126,000,000 ordinary shares in the share capital of the Company (representing 63.0% of the total issued share capital of the Company).

Immediately upon completion of the SPA, the Offeror and parties acting in concert with it (other than the Vendor) were interested in 126,000,000 Shares, representing 63.0% of the total issued share capital of the Company. Pursuant to the Takeovers Code, West Bull Securities Limited, for and on behalf the Offeror, made a mandatory unconditional cash offer to acquire all the issued ordinary shares in the share capital of the Company (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) at HK\$0.15 per share (the "**Offer**").

Immediately after the close of the Offer and as of 29 April 2024, taking into account the valid acceptances in respect of a total of 260,000 Offer Shares under the Offer, the Offeror and parties acting in concert with it were interested in an aggregate of 126,260,000 Shares, representing 63.13% of the issued share capital of the Company as of 29 April 2024.

For details, please refer to the joint announcements jointly issued by the Offeror and the Company dated 26 January 2024, 16 February 2024, 15 March 2024, 8 April 2024 and 29 April 2024 (collectively with "**Joint Announcements**") and the composite offer and response document dated 8 April 2024. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those defined in the Joint Announcements.



# UNAUDITED 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**”) is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024, together with the comparative figures for the corresponding periods in 2023 as follows:

		<b>For the six months ended 30 June</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(unaudited)
<b>Revenue</b>	3	<b>127,072</b>	217,271
Cost of sales		<u>(101,197)</u>	<u>(190,466)</u>
Gross profit		<b>25,875</b>	26,805
Other income	4	<b>2,156</b>	1,875
Other gains	5	<b>850</b>	3,572
Selling and distribution expenses		<b>(2,587)</b>	(3,901)
Administrative expenses		<b>(14,559)</b>	(15,664)
Finance costs	6	<u>(1,043)</u>	<u>(1,516)</u>
<b>Profit before taxation</b>		<b>10,692</b>	11,171
Income tax expense	7	<u>(583)</u>	<u>(1,307)</u>
<b>Profit for the period</b>	8	<b>10,109</b>	9,864
<b>Other comprehensive expenses after tax:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(983)</u>	<u>(1,310)</u>
<b>Total comprehensive income for the period</b>		<u><b>9,126</b></u>	<u>8,554</u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>10,107</b>	9,863
Non-controlling interests		<u>2</u>	<u>1</u>
		<u><b>10,109</b></u>	<u>9,864</u>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>9,124</b>	8,553
Non-controlling interests		<u>2</u>	<u>1</u>
		<u><b>9,126</b></u>	<u>8,554</u>
<b>Earnings per share</b>			
Basic and diluted (HK cents)	9	<u><b>5.05</b></u>	<u>4.93</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 HK\$'000 (unaudited)	As at 31 December 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	36,463	34,967
Right-of-use assets		3,762	–
		<u>40,225</u>	<u>34,967</u>
<b>Current assets</b>			
Inventories		44,192	53,148
Trade and other receivables and prepayments	12	50,032	34,898
Investments at fair value through profit or loss		2,714	9,140
Pledged bank deposits		10,397	10,810
Short-term deposits		62,775	55,800
Bank and cash balances		22,700	11,711
		<u>192,810</u>	<u>175,507</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	13	53,221	41,958
Contract liabilities		34,469	29,851
Bank loans and overdrafts		29,870	37,050
Amount due to a related party		2,465	1,841
Lease liabilities		3,805	–
Current tax liabilities		1,943	1,638
		<u>125,773</u>	<u>112,338</u>
<b>Net current assets</b>		<u>67,037</u>	<u>63,169</u>
<b>Net Assets</b>		<u>107,262</u>	<u>98,136</u>
<b>Capital and reserves</b>			
Share capital	14	2,000	2,000
Reserves		105,282	96,158
Equity attributable to owners of the Company		107,282	98,158
Non-controlling interests		(20)	(22)
<b>TOTAL EQUITY</b>		<u>107,262</u>	<u>98,136</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company					Non-Controlling Interests	Total equity	
	Share capital	Share Premium	Special reserve	Retained profits	Translation reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2023 (audited)	2,000	24,973	3,000	51,876	(30)	81,819	(14)	81,805
Profit and total comprehensive income/(expense) for the period (unaudited)	-	-	-	9,863	(1,310)	8,553	1	8,554
At 30 June 2023 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>61,739</u>	<u>(1,340)</u>	<u>90,732</u>	<u>(13)</u>	<u>90,359</u>
At 1 January 2024 (audited)	<b>2,000</b>	<b>24,973</b>	<b>3,000</b>	<b>69,058</b>	<b>(873)</b>	<b>98,158</b>	<b>(22)</b>	<b>98,136</b>
Profit and total comprehensive income/(expense) for the period (unaudited)	-	-	-	10,107	(983)	9,124	2	9,126
At 30 June 2024 (unaudited)	<u><b>2,000</b></u>	<u><b>24,973</b></u>	<u><b>3,000</b></u>	<u><b>79,165</b></u>	<u><b>(1,856)</b></u>	<u><b>107,282</b></u>	<u><b>(20)</b></u>	<u><b>107,262</b></u>



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash generated from operating activities</b>	<b>21,984</b>	47,715
<b>Net cash used in investing activities</b>	<b>(6,578)</b>	(17,478)
<b>Net cash used in financing activities</b>	<b>(4,417)</b>	(8,581)
<b>Net increase in cash and cash equivalents</b>	<b>10,989</b>	21,656
Cash and cash equivalents at beginning of period	<b>11,711</b>	19,333
<b>Cash and cash equivalents at end of period</b>	<b>22,700</b>	40,989
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	<b>22,700</b>	40,989

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION

These unaudited 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”) and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRS would have a material impact on its results of operations and financial position.

## 3. REVENUE AND SEGMENT INFORMATION

The Group’s operation is solely derived from the manufacture and sale of transformers, switching mode power supply, electronic parts and components, and electric healthcare products during the reporting periods. For the purpose of resource allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviewed the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as those adopted in the financial statements for the year ended 31 December 2023. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

An analysis of the Group's revenue from its major products is as follows:

	For the six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Sales of transformers	45,403	104,305
Sales of switching mode power supply	2,000	1,626
Sales of electronic parts and components	79,669	110,299
Sales of electric healthcare products	–	1,041
Revenue from contracts with customers	<b>127,072</b>	<b>217,271</b>

Disaggregation of revenue from contracts with customers:

## Geographical information

The Group's operation is located in the People's Republic of China (the "PRC"). Information about the Group's revenue is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers For the six months ended 30 June		Non-current assets	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	As at 30 June 2024 HK\$'000 (unaudited)	As at 31 December 2023 HK\$'000 (audited)
Hong Kong	1,872	10,947	21,800	21,997
PRC	23,510	19,913	18,425	12,970
Europe	72,521	127,816	–	–
United States	6,542	12,030	–	–
India	14,966	39,975	–	–
Others	7,661	6,590	–	–
	<b>127,072</b>	<b>217,271</b>	<b>40,225</b>	<b>34,967</b>

All timing of revenue recognition is at a point in time for the six months ended 30 June 2024 and 2023.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest	1,590	80
Other income	85	38
Government incentive	241	1,757
Sales of scrap materials	240	–
	<u>2,156</u>	<u>1,875</u>

## 5. OTHER GAINS

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Fair value gain on investment through profit or loss	(222)	3,065
Net exchange gain	1,072	507
	<u>850</u>	<u>3,572</u>

## 6. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Leases interests	100	41
Interest on bank borrowings	943	1,475
	<u>1,043</u>	<u>1,516</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	815	356
PRC Enterprise Income Tax	(232)	951
	<b>583</b>	<b>1,307</b>

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the six months ended 30 June 2024 and 2023.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 June 2024 and 2023.

## 8. PROFIT FOR THE PERIOD

The Group's profit for the period has been arrived at after charging the following:

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors' emoluments	934	879
Cost of inventories sold	101,197	190,466
Depreciation of plant and equipment	1,799	1,257
Depreciation of right-of-use assets	752	1,026
Research and development expenses	4,943	5,233
Staff Costs	<b>20,358</b>	<b>24,611</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 9. EARNINGS PER SHARE

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>(unaudited)</b>	(unaudited)
Earnings for the period attributable to owners of the Company (HK\$'000)	<b>10,107</b>	9,863
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ( <i>Note</i> )	<b>200,000,000</b>	200,000,000

*Note:*

No diluted earnings per share is presented for the six months ended 30 June 2024 and 2023 since there were no potential diluted ordinary shares in issue during both periods.

## 10. DIVIDENDS

On 19 August 2024, the Board has resolved to declare a special interim dividend of HK\$0.15 per ordinary share of the Company with a total amount of HK\$30,000,000 for the six months ended 30 June 2024.

Save for the above special interim dividend, no other interim dividend was proposed for the six months ended 30 June 2024 (30 June 2023: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately HK\$7,810,000 (six months ended 30 June 2023: HK\$23,731,000) and depreciation amounting to approximately HK\$1,799,000 was provided during the period (six months ended 30 June 2023: HK\$1,257,000).

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period:

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
0 – 90 days	<b>37,839</b>	24,185
91 to 180 days	<b>417</b>	294
181 to 365 days	<b>20</b>	40
Over 1 year	<b>79</b>	511
	<b>38,355</b>	25,030



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 13. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
0 – 90 days	<b>44,958</b>	37,502
91 to 180 days	<b>298</b>	27
181 to 365 days	<b>27</b>	87
Over 1 year	<b>126</b>	176
	<b>45,409</b>	37,792

## 14. SHARE CAPITAL

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Authorised		
1,000,000,000 ordinary shares of HK\$0.01 each	<b>10,000</b>	10,000
Issued and fully paid		
200,000,000 ordinary shares of HK\$0.01 each	<b>2,000</b>	2,000

## 15. CAPITAL COMMITMENT

The Group had no material capital commitment as at 30 June 2024 and 31 December 2023.

## 16. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2024 and 31 December 2023.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 17. RELATED-PARTY TRANSACTIONS

### (a) Names of and the relationship with related parties are as follows:

Name of related parties	Relationship <i>Notes</i>
Chung Chi Hang, Larry	(i)
Chung Tin Shing	(i)
Chung Chi Wah	(ii)
T-Lab Electronics & Plastics (He Yuan) Co., Ltd.	(iii)

*Notes:*

- (i) Mr. Chung Chi Hang, Larry is a director of the Company. Mr. Chung Tin Shing is a non-controlling shareholder of an intermediate holding company and a director of the Company.
- (ii) Mr. Chung Chi Wah is the ultimate controlling shareholder of the Company and is a close family member of Mr. Chung Chi Hang, Larry.
- (iii) The beneficial owner of the company is Mr. Chung Chi Hang, Larry.

### (b) The Group entered into the following transactions with related parties during the reporting period:

	For the six months ended 30 June	
	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Rental paid to a related company		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd	<b>744</b>	831

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

**(c) Compensation of key management personal:**

The emoluments of Directors and other members of key management for the reporting periods were as follows:

	<b>For six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Salaries and other benefits	<b>1,225</b>	1,258
Retirement benefit contributions	<b>38</b>	46
	<b>1,263</b>	1,304

The emoluments of Directors and key management are determined with reference to the performance of individuals and market trends.

**18. EVENTS AFTER THE REPORTING PERIOD**

As disclosed in the announcement of the Company dated 1 August 2024, ZHONGHUI ANDA CPA Limited (“ZHONGHUI”) resigned as the auditor of the Company with effect from 1 August 2024 and WM CPA Limited has been appointed as the auditor of the Company on the same date to fill the vacancy following the resignation of ZHONGHUI and to hold office until the conclusion of the next annual general meeting of the Company.

Save as disclosed above, the Group had no significant event after the end of the reporting period and up to the approval date of this report.

**19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 were approved and authorised for issue by the Board on 19 August 2024.



## DISCLOSURE OF INTERESTS

### (a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or the associated corporations

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

*Long position – ordinary shares of HK\$0.01 each of the Company*

Name of Director	Capacity/ Nature of interest	Number of shares	Approximate percentage of shares
Mr. Chung Tin Shing	Beneficial interest	14,000,000	7.00%

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

## OTHER INFORMATION

### (b) Interests and short positions of the substantial shareholders in the shares and underlying shares

*Long position – ordinary shares of HK\$0.01 each of the Company*

<b>Name of Shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares (Note 1)</b>	<b>Approximate percentage of shares</b>
Mr. Chung Chi Wah	Interest of a controlled corporation	126,260,000	63.13%
Century Lead International Limited	Beneficial owner	126,260,000	63.13%

*Note:*

- 1 These shares are held by Century Lead International Limited, 100% shareholding of which is owned by Mr. Chung Chi Wah. Mr. Chung Chi Wah is deemed to be interested in the shares held by Century Lead International Limited under the SFO.

Save as disclosed above, as at 30 June 2024, the Directors and chief executive of the Company were not aware of any person, other than a Director or chief executive of the Company, or a corporation having an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provision of Division 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.

### CHANGES IN THE BOARD AND THE DIRECTOR'S INFORMATION

There were no changes in the Board and the information of the Directors since the date of the Company's annual report for the year ended 31 December 2023.

### SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 2 February 2016 for the purpose of motivating the Eligible Participants (as defined below) to optimize their performance efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. "**Eligible Participants**" refer to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; or (ii) any directors (including executive, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; or (iii) any advisers, consultants, suppliers, customers, agents and related entities to the Company or any of its subsidiaries.

The maximum number of shares of the Company (the "**Shares**") in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Placing, being 20,000,000 Shares. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

## OTHER INFORMATION

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. However, a grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option; and
- (c) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date grant of the relevant option.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

No share options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the period from 1 January 2024 to 30 June 2024 and there were no outstanding share options under the Share Option Scheme as at 30 June 2024 and up to the date of this report. Given that no share option has been granted under the Share Option Scheme during the reporting period, it is not applicable for the Company to set out the number of shares that may be issued in respect of the share options granted under such scheme during the reporting period divided by the weighted average number of shares of the relevant class in issue for the reporting period. As at 30 June 2024, the Company had 20,000,000 share options not yet issued under the Share Option Scheme, which represented approximately 10% of the Company's shares as at 30 June 2024. The total number of share options available for grant under the Share Option Scheme as of 1 January 2024 and 30 June 2024 were 20,000,000 and 20,000,000, respectively. The remaining life of the Share Option Scheme was about 1.6 years as at 30 June 2024.

### **SPECIAL INTERIM DIVIDEND**

On 19 August 2024, the Board has resolved to declare a special interim dividend of HK\$0.15 per ordinary share of the Company with a total amount of HK\$30,000,000 for the six months ended 30 June 2024 (the "**Special Interim Dividend**"), due to the returning value to shareholders. No dividend was paid for the six months ended 30 June 2023 and the year ended 31 December 2023. The Special Interim Dividend will be paid to those shareholders whose names appear on the register of members of the Company on Friday, 6 September 2024.

## OTHER INFORMATION

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders' entitlement to the Special Interim Dividend, the register of members of the Company will be closed. Details of such closure are set out below:

Ex-dividend date	Monday, 2 September 2024
Latest time to lodge transfer documents for registration	4:00 pm on Tuesday, 3 September 2024
Closure of register of members	Wednesday, 4 September 2024 to Friday, 6 September 2024 (both days inclusive)
Record date	Friday, 6 September 2024
Special Interim Dividend payment date	on or about Tuesday, 17 September 2024

During the above closure period, no transfer of ordinary shares will be registered. In order to qualify for the Special Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 3 September 2024.

### **DIRECTOR'S RIGHT TO ACQUIRE SHARES**

Save as disclosed in this report, at no time during the period from 1 January 2024 to 30 June 2024 (the "Period") was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **EVENTS AFTER THE REPORTING PERIOD**

As disclosed in the announcement of the Company dated 1 August 2024, ZHONGHUI ANDA CPA Limited ("ZHONGHUI") resigned as the auditor of the Company with effect from 1 August 2024 and WM CPA Limited has been appointed as the auditor of the Company on the same date to fill the vacancy following the resignation of ZHONGHUI and to hold office until the conclusion of the next annual general meeting of the Company.

Save as disclosed above, the Group had no significant event after the end of the reporting period and up to the approval date of this report.



## **CORPORATE GOVERNANCE PRACTICES**

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules (the “**CG Code**”) to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner.

During the period from 1 January 2024 to 30 June 2024, the Company has complied with the code provisions set out in Part 2 of the CG Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the period.

## **DEED OF NON-COMPETITION**

A deed of non-competition (the “**Deed of Non-competition**”) dated 2 February 2016 was entered into by Cyber Goodie Limited, a limited liability company incorporated in the British Virgin Islands, and Mr. Chung Chi Hang, Larry in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed “Relationship with our Controlling Shareholders” and the non-competition undertaking has become effective from the listing date on 24 February 2016.

## **COMPETITION AND CONFLICT OF INTERESTS**

As far as the Directors are aware, none of the Directors or the controlling shareholders or any of their respective associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interests with the Group during the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) on 2 February 2016, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi. Mr. Cheung Yee Tak, Jonathan is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2024. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

## OTHER INFORMATION

### **RISK MANAGEMENT COMMITTEE**

The risk management committee of the Board (the “**Risk Management Committee**”) was established on 2 February 2016, with specific written terms of reference for assisting the Board in overseeing (i) risk governance structure; and (ii) hedging policies including its activities in forward purchases of copper and entering into the relevant contracts. The Risk Management Committee currently comprises a total of three members, being two executive Directors, namely Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson, and one independent non-executive Director, namely Mr. Lam Chon Loi. Following the adoption of a new set of hedging policy on 29 September 2021, the Risk Management Committee is responsible for reviewing and approving the hedging policies as formulated by the hedging team of the Company and reporting to the Board as to whether the hedging policies have been duly followed by the management of the Company.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE GEM LISTING RULES**

Save as disclosed, the Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

By order of the Board  
**Keen Ocean International Holding Limited**  
**Chung Chi Hang, Larry**  
*Chairman*

Hong Kong, 19 August 2024

*As at the date of this report, the executive Directors are Mr. Chung Chi Hang, Larry, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Cheung Yee Tak, Jonathan, Mr. Li Chung Pong, Stephen and Mr. Lam Chon Loi.*