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REM Group (Holdings) Limited
全達電器集團(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1750)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of REM Group (Holdings) Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 together with comparative figures for the corresponding six months period in 2023, as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		<i>HK\$’000</i>	<i>HK\$’000</i>
		(unaudited)	(unaudited)
Revenue	3	60,210	85,753
Cost of sales		(47,581)	(70,285)
Gross profit		12,629	15,468
Other income, gains and losses (net)	4	1,050	1,773
Selling and distribution expenses		(1,915)	(2,923)
Administrative and other expenses		(14,444)	(13,399)
Finance costs	5	(93)	(229)
(Loss)/Profit before taxation		(2,773)	690
Income tax expense	6	(183)	(153)
(Loss)/Profit for the period	7	(2,956)	537

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Other comprehensive expense for the period:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		<u>(1,533)</u>	<u>(2,555)</u>
Total comprehensive expense for the period		<u>(4,489)</u>	<u>(2,018)</u>
Loss and total comprehensive income attributable to:			
Owners of the Company		(2,956)	537
Non-controlling interests		<u>–</u>	<u>–</u>
		<u>(2,956)</u>	<u>537</u>
(Loss)/Earning per share			
– Basic (HK cents)	9	(0.16)	0.03
– Diluted (HK cents)	9	<u>(0.16)</u>	<u>0.03</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment	<i>10</i>	21,407	20,466
Right-of-use assets	<i>10</i>	5,230	4,941
Rental deposits		20	21
Contract assets	<i>11</i>	6,956	6,613
		33,613	32,041
Current assets			
Inventories		41,065	36,190
Trade and other receivables	<i>12</i>	52,852	62,128
Contract assets	<i>11</i>	18,318	20,676
Amount due from a director		–	5
Bank balances and cash		55,838	53,000
		168,073	171,999
Current liabilities			
Trade and other payables	<i>13</i>	30,956	30,053
Contract liabilities		1,621	1,350
Lease liabilities		1,560	971
Tax payable		1,299	1,131
		35,436	33,505
Net current assets		132,637	138,494
Total assets less current liabilities		166,250	170,535

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Non-current liabilities		
Lease liabilities	1,491	1,690
Provision for long service payments	473	470
Deferred tax liabilities	443	443
	<u>2,407</u>	<u>2,603</u>
NET ASSETS	<u>163,843</u>	<u>167,932</u>
Capital and reserves		
Share capital	18,000	18,000
Share premium and reserves	147,660	149,932
	<u>165,660</u>	<u>167,932</u>
Equity attributable to owners of the Company	165,660	167,932
Non-controlling interests	<u>(1,817)</u>	<u>–</u>
TOTAL EQUITY	<u>163,843</u>	<u>167,932</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated and registered as an exempted company with limited liability on 15 March 2017 under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 May 2018 (the “**Listing**”). The addresses of the Company’s registered office and the principal place of business are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Unit 5, 4th Floor, Chai Wan Industrial City Phase II, No. 70 Wing Tai Road, Hong Kong, respectively. The Company’s immediate and ultimate holding companies are Unique Best Limited and WAN Union Limited, respectively, which were companies incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding and its subsidiaries are primarily engaged in sales and manufacturing of low-voltage electrical power distribution and control devices.

The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

Certain comparative figures in the condensed consolidated financial statements have been reclassified to conform to current year’s presentation.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) set as below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

Application of the amendments to HKFRSs

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

3. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable for the sales of low-voltage electrical power distribution and control devices, less discounts, if any, during the period.

The executive Directors, being the chief operating decision makers (the “CODM”), regularly review revenue analysis by product types, including primarily low-voltage switchboard, local motor control panel, motor control centre, electrical distribution board and control box and electrical parts and replacements, and by location of delivery to customers. The CODM considered the operating activities of sales of low-voltage electrical power distribution and control devices as a single operating segment. Other than revenue analysis, the CODM reviews the profit or loss for the period of the Group as a whole to make decisions about performance assessment and resource allocation. The operation of the Group constitutes one single operating segment under HKFRS 8 “Operating Segments” and accordingly, no separate segment information is prepared. No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

Entity-wide information

An analysis of the Group’s revenue by products for the period is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(unaudited)	(unaudited)
Low-voltage switchboard	22,363	31,543
Local motor control panel	22,372	31,887
Motor control centre	7,458	9,291
Electrical distribution board and control box	5,010	10,897
Electrical parts and replacements	3,007	2,135
	<u>60,210</u>	<u>85,753</u>

The Group sells all products directly to customers. Revenue is recognised when control of the goods has transferred or the services has performed, being when the goods or services have been delivered to the customers’ specific location and customer acceptance has been obtained. The Directors considered that the Group’s revenue is recognised at a point in time.

Revenue from external customers, based on location of delivery to customers is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(unaudited)	(unaudited)
Revenue:		
Hong Kong	57,009	70,152
Mainland China	287	2,816
Macau	2,914	12,785
	<u>60,210</u>	<u>85,753</u>

An analysis of the Group's non-current assets other than rental deposits and contract assets is presented below based on their physical geographical location:

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Hong Kong	5,871	5,288
Mainland China	<u>20,766</u>	<u>20,119</u>
	<u>26,637</u>	<u>25,407</u>
4. OTHER INCOME, GAINS AND LOSSES (NET)		
	Six months ended 30 June 2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Interest income	568	683
Others	<u>482</u>	<u>1,090</u>
	<u>1,050</u>	<u>1,773</u>
5. FINANCE COSTS		
	Six months ended 30 June 2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Interest expenses on short term borrowings	–	173
Interest expenses on lease liabilities	<u>93</u>	<u>56</u>
	<u>93</u>	<u>229</u>

6. INCOME TAX EXPENSE

The taxation expense comprises:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax		
People's Republic of China ("PRC") Enterprise Income Tax		
– Provision for the period	<u>183</u>	<u>153</u>
Income tax expense	<u><u>183</u></u>	<u><u>153</u></u>

For the six months ended 30 June 2024 and 2023, no provision for Hong Kong Profits Tax is provided as the subsidiaries operating in Hong Kong have no assessable profits.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25% for both periods. Enterprise Income Tax ("EIT") is provided as the subsidiaries have assessable profits subject to EIT in Mainland China during the period.

7. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
(Loss)/Profit for the period has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	1,562	1,542
Depreciation of right-of-use assets	890	439
Net foreign exchange (gains)/losses	(203)	77
Net impairment loss recognised on trade receivables and contract assets	<u>34</u>	<u>233</u>

8. DIVIDENDS

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

9. (LOSS)/EARNING PER SHARE

The calculation of the basic (loss)/earning per share for the period is based on the following:

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
(Loss)/Profit for the period attributable to owners of the Company for the purpose of basic (loss)/earning per share	<u>(2,956)</u>	<u>537</u>
	Six months ended 30 June	
	2024	2023
	'000	'000
Weighted average number of ordinary shares for the purpose of basic (loss)/earning per share	<u>1,800,000</u>	<u>1,800,000</u>

There were no potential ordinary shares in issue during both periods.

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

(a) Acquisition of owned assets

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of HK\$2,873,000 (six months ended 30 June 2023: HK\$440,000).

(b) Right-of-use assets

During the six months ended 30 June 2024, the Group entered into a new lease agreement for use of workshop, and therefore recognised the additions to right-of-use assets is HK\$1.6 million (six months ended 30 June 2023: nil).

11. CONTRACT ASSETS

Contract assets represent the retention receivables of approximately HK\$25,274,000 (31 December 2023: HK\$27,289,000) net of allowance for expected credit losses of approximately HK\$534,000 (31 December 2023: HK\$623,000). Retention receivables are unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts, ranging from 6 months to 2 years from the date of delivery of finished goods to customers. The retention receivables are transferred to trade receivables based on the expiry of the defect liability period.

The following is an analysis of contract assets at the end of the reporting period:

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Within one year	18,318	20,676
After one year	6,956	6,613
	<u>25,274</u>	<u>27,289</u>

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Trade receivables	46,246	57,281
<i>Less: Allowance for expected credit losses</i>	(1,040)	(920)
Bill receivables (<i>Note</i>)	1,712	–
	<u>46,918</u>	56,361
Amount due from a non-controlling interest of a subsidiary	400	–
Other receivables, prepayment and deposits	5,534	5,767
	<u>52,852</u>	<u>62,128</u>

Note: All bill receivables by the Group are within a maturity period of less than one year.

The Group allows an average credit period of 0 to 90 days to its trade customers. A longer credit period may be granted to large or long established customers with good payment history. The following is an analysis of trade receivables by age, presented based on the invoice date at the end of the reporting period:

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
0 – 30 days	29,129	28,278
31 – 60 days	974	8,652
61 – 90 days	1,199	3,143
91 – 180 days	10,335	7,308
181 – 365 days	1,517	3,997
Over 1 year	2,052	4,983
	<u>45,206</u>	<u>56,361</u>

13. TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Trade payables	22,283	19,956
Bill payables	2,992	1,764
	<u>25,275</u>	<u>21,720</u>
Accruals and other payables	3,541	5,418
Other loans	2,140	2,915
	<u>30,956</u>	<u>30,053</u>

The credit period granted by suppliers to the Group ranged from 0 to 75 days (2023: 0 to 75 days). The following is an analysis of trade and bill payables by age, presented based on the invoice date at the end of the reporting period:

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
0 – 30 days	5,927	4,385
31 – 60 days	11,787	11,862
61 – 90 days	5,718	4,815
Over 90 days	1,843	658
	<u>25,275</u>	<u>21,720</u>

The other payables mainly consist of accrual of staff salaries and benefits, other payable of a related party and accrual of operating expenses.

As at 30 June 2024, the other loans mainly represent an unsecured loan from a third party amounted to RMB2,000,000 (equivalent to HK\$2,140,000), which is repayable within one year after the end of the reporting date.

As at 31 December 2023, the other loans mainly represent an unsecured loan from a third party amounted to RMB2,500,000 (equivalent to HK\$2,741,000), which carry interests of 3.88% per annum and repayable within one year after the end of the reporting date.

14. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after 30 June 2024 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND MARKET PROSPECT

The Group is a renowned manufacturer and supplier of low-voltage electrical power distribution and control devices in Hong Kong, Macau and Mainland China. The Group recorded a loss of approximately HK\$2,956,000 for the six months ended 30 June 2024 as compared to the profit of approximately HK\$537,000 for the six months ended 30 June 2023. The turnaround from profit to loss is primarily attributable to (i) a decrease in the Group's revenue due to decrease in sales orders from the customers for low-voltage electrical power distribution and control devices; and (ii) an increase in administrative costs due to increase in staff costs for the Hong Kong-based employees.

The group's products cover commercial building, government facilities and hospitals from the private and public sectors in Hong Kong, Macau and Mainland China. During the relevant period, Hong Kong construction industry has been facing the problems of manpower, quality and worker safety issues, such several major problems led to significant cost overruns and delays in goods acceptance process and accidents on sites.

The Group foresees that the business environment in the future would remain challenging with a substantial degree of uncertainty. We will continue to broaden our customer base and take effective cost control measures, diversify our sales network and strive to expand our own brand product for sale. We will strive to achieve sustainable business growth and deliver maximum long-term benefits to our shareholders. The Board remains having a positive view on the business and prospects of the Group in the upcoming year.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$25.5 million, or approximately 29.8%, from approximately HK\$85.8 million for the six months ended 30 June 2023 to approximately HK\$60.2 million for the six months ended 30 June 2024. Such decrease in revenue was mainly due to decrease in sales orders from the customers for low-voltage electrical power distribution and control devices during the six months ended 30 June 2024 as compared with that of 30 June 2023.

Cost of Sales

The Group's cost of sales amounted to approximately HK\$47.6 million for the six months ended 30 June 2024, representing a decrease of approximately 32.3% from approximately HK\$70.3 million for the six months ended 30 June 2023. Cost of sales mainly comprised of costs of raw materials and staff costs, which accounted for approximately 71.2% and 18.7% respectively of the Group's total cost of sales for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 77.7% and 15.5% respectively).

Gross Profit

The Group's gross profit decreased by approximately 18.4% from approximately HK\$15.5 million during the six months ended 30 June 2023 to approximately HK\$12.6 million during the six months ended 30 June 2024. The decrease in gross profit is in line with the decrease in revenue during the period.

Other income, gains and losses (net)

The Group's other income, gains and losses (net) decreased from approximately HK\$1.8 million for the six months ended 30 June 2023 to approximately HK\$1.1 million for the six months ended 30 June 2024, which was attributable to the bank interest income of approximately HK\$0.6 million and the exchange gain due to the fluctuation of exchange rate of approximately HK\$0.2 million being recorded during the period ended 30 June 2024.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately 34.5% from approximately HK\$2.9 million during the six months ended 30 June 2023 to approximately HK\$1.9 million during the six months ended 30 June 2024. Such decrease is in line with the decrease of the sales volume during the period. The Group continues to implement the cost saving measures in order to minimise the unnecessary transportation cost.

Administrative and other expenses

The Group's administrative and other expenses increased by approximately HK\$1.0 million, or approximately 7.8%, from approximately HK\$13.4 million for the six months ended 30 June 2023 to approximately HK\$14.4 million for the six months ended 30 June 2024. The increase in administrative and other expenses was mainly attributable to the increase in the salaries for Hong Kong-based staff.

Finance costs

The Group's finance costs decreased from approximately HK\$229,000 for the six months ended 30 June 2023 to approximately HK\$93,000 for the six months ended 30 June 2024, which mainly due to repayment of part of the interest bearing short-term loans during the period.

Taxation

The Group recorded an income tax expense of approximately HK\$183,000 and approximately HK\$153,000 respectively for the six months ended 30 June 2024 and 2023. The income tax expense mainly arose from the profits being recorded in Mainland China entity during the six months ended 30 June 2024.

(Loss)/Profit for the period attributable to the owners of the Company

As a result of the decrease in revenue, the Group recorded a net loss for the period attributable to the owners of the Company of approximately HK\$2,956,000 for the six months ended 30 June 2024, as compared with a net profit for the period attributable to the owners of the Company of approximately HK\$537,000 for the six months ended 30 June 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has financed its operations primarily through cash inflows from operating activities and proceeds received from the Listing. As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$55.8 million (31 December 2023: approximately HK\$53.0 million).

As at 30 June 2024, the working capital (current assets less current liabilities) and total equity attributable to owners of the Group were approximately HK\$132.6 million (31 December 2023: approximately HK\$138.5 million) and approximately HK\$165.7 million (31 December 2023: approximately HK\$167.9 million) respectively.

Gearing ratio (calculated based on the interests bearing liabilities, which excluded lease liabilities, divided by the total equity as at the respective end of period and multiplied by 100%) as at 30 June 2024 was approximately 1.3% (31 December 2023: 1.6%). Such decrease was mainly due to short-term borrowings repaid during the period.

CURRENCY RISK

The Group has minimal exposure to foreign currency risk as most of its business transactions and assets and liabilities are principally denominated in the functional currencies of the relevant group entities. As such, the Group currently does not have any foreign currency hedging policy in respect of foreign currency transactions and assets and liabilities as the Group's risk in foreign exchange is insignificant. However, the Group will continue to monitor closely its exposure to currency movement and take proactive measures.

INTEREST RATE RISK

The Group is exposed to fair value interest rate risk in relation to lease liabilities. The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest-bearing bank balances at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate risk should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION OR DISPOSALS

Save as disclosed in this announcement, there were no significant investments held, nor any material acquisitions or disposals of subsidiaries or associates during the six months ended 30 June 2024.

PLEDGE OF ASSETS

As at 30 June 2024 and 31 December 2023, the Group's banking facilities were secured by corporate guarantees provided by the Company for unlimited amounts and certain leasehold land and buildings. There was no other pledge of assets as at 30 June 2024 and 31 December 2023.

FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this announcement and in the prospectus of the Company dated 27 April 2018 (the "Prospectus"), the Group does not have other plans for material investments and capital assets for the six months ended 30 June 2024 and up to the date of this announcement.

CAPITAL COMMITMENTS

The Group had the following capital commitment in respect of investment in a subsidiary at the end of the reporting period.

	At 30 June 2024 <i>HK\$'000</i> (unaudited)	At 31 December 2023 <i>HK\$'000</i> (audited)
Contracted, but not provided for – committed investment in a subsidiary	<u>1,000</u>	<u>1,000</u>

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting period and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend to shareholders of the Company (the "Shareholders") for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

EMPLOYEES AND REMUNERATION POLICY

The Group had 220 full-time employees as at 30 June 2024 (31 December 2023: 229), among which 48 and 172 were stationed in Hong Kong and Mainland China, respectively. Most of the Group's employees were factory workers in Mainland China. The total staff costs (including fees, salaries and other allowance, and retirement benefit scheme contributions) for the six months ended 30 June 2024 were approximately HK\$18.6 million (six months ended 30 June 2023: approximately HK\$18.0 million). The remuneration policy and package of the Group's employees were periodically reviewed. Apart from retirement benefit scheme contributions, salary increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The remuneration policy in place as at 30 June 2024 was in line with the current legislation in the relevant jurisdictions, market conditions and performance of the staff and the Group.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

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

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Director's securities transactions. Specific enquires have been made to all Directors and the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2024, and up to the date of this announcement.

Compliance with the Corporate Governance Code

It is the belief of the Board that good corporate governance plays a vital part in maintaining the success of the Company. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value accountability. The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024. The Company will continue to review the current corporate governance structure from time to time and shall make necessary changes when appropriate and report to Shareholders accordingly.

Share Option Scheme

The Company has adopted a share option scheme on 23 April 2018 (the "**Share Option Scheme**") as incentive or reward for contributions that the eligible participants have made or may make to the Group. The principal terms of the Share Option Scheme are summarised in the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus.

There were no share options outstanding under the Share Option Scheme nor were any share options granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and up to the date of this announcement.

Review by Audit Committee

The Company has an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process and select external auditors and assess their independence and qualifications. The Audit Committee consists of two independent non-executive Directors being Ms. Ng Ching Ying and Mr. Cheng Sum Hing, and one non-executive Director being Mrs. Kan Wan Wai Yee Mavis. The Audit Committee is chaired by Ms. Ng Ching Ying.

The Audit Committee has reviewed the unaudited consolidated interim results and the interim report of the Company for the six months ended 30 June 2024 and agreed to the accounting principles and practices adopted by the Company.

Publication of Results Announcement and Despatch of Interim Report

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.rem-group.com.hk). The interim report will also be available at the above websites and will be despatched to the Shareholders in due course.

By Order of the Board
REM Group (Holdings) Limited
Wan Man Keung
Chairman and Executive Director

Hong Kong, 27 August 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wan Man Keung and Mr. Leung Ka Wai, the non-executive director of the Company is Mrs. Kan Wan Wai Yee Mavis, and the independent non-executive directors of the Company are Mr. Ng Chi Keung Alex, Mr. Cheng Sum Hing and Ms. Ng Ching Ying.