Sandmartin International Holdings Limited
聖馬丁國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

— For the six months ended 30 June 2024, the unaudited revenue of the Group was approximately HK$312.1 million, representing an increase of approximately 5.7% as compared to approximately HK$295.3 million for the corresponding period in last year.

— The profit attributable to owners of the Company for the six months ended 30 June 2024 was approximately HK$18.0 million (six months ended 30 June 2023: loss of approximately HK$48.8 million).

— For the six months ended 30 June 2024, basic earnings per share was approximately HK1.46 cents (six months ended 30 June 2023: loss per share of approximately HK9.92 cents).

— The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

* *For identification purpose only*

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders of the Company (the "**Shareholders**"),

On behalf of the board (the "**Board**") of the directors (the "**Directors**") of Sandmartin International Holdings Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**"), I hereby present the unaudited consolidated interim results of the Group for the six months ended 30 June 2024.

The financial performance of the Group was not satisfactory for the six months ended 30 June 2024. As a result of the tight monetary policy globally, although the revenue of the Group's products has increased, the profit margin has declined when compared with the same corresponding period in 2023. The Group has taken some measures to reduce the unfavourable impacts, including but not limited to sourcing from different suppliers to increase the profit margin.

The ongoing China-US trade war still has some negative impacts on certain segments of the operations of the Group and the Group mitigates the impacts by sourcing from suppliers in Southeast Asia, for the purpose of avoiding the excessive tariffs imposed by the United States (the "**US**") on products from The People's Republic of China (the "**PRC**" or "**China**").

Although the global economy is gradually recovering from the 2019 novel coronavirus pandemic (the "**Pandemic**"), the geo-political and geo-economic tensions are yet to be resolved. Given these volatilities and challenges, the Group will continue to adopt a prudent approach in managing its cash flows position and will make every endeavour to identify business opportunities with promising potential in the manufacturing segments in emerging markets or even other sectors so as to diversify our income source to weather adverse economic cycle.

Since 2018, the Group has, by outsourcing its production to suppliers in Vietnam, progressively wound down its own production facilities housed in the Group's factory buildings built on an industrial land situated at no.16 Qianjin Second Road, Tanzhou Town, Zhongshan, Guangdong Province the PRC (the "**Land**") owned by the Group. Most of the Group's factory buildings on the Land had been leased to third parties independent of the Company in return for rental income. However, owing to the age of the factory buildings, the rental return is low. As such, the Group has been exploring opportunities to increase the investment return from such factory buildings. In July 2021, the Group entered into a cooperation agreement with, among others, Guangdong Huasuan International Industrial Park Investment Development Co., Ltd.* (廣東省華算國際產業園投資發展有限公司) ("**Huasuan**") in relation to the cooperation between the Group and Huausan for the purpose of redeveloping the Land into a landmark precision intelligent manufacturing centre and research and development innovation hub and the properties built thereon shall be for leasing and sale (the "**Redevelopment**") and subsequently in July 2023, the Group entered into a joint venture agreement with Huasuan to form an unincorporated joint venture for the purpose of the Redevelopment and for the purpose of governing the cooperation arrangement. The Redevelopment is currently under progress.

Going forward, the Board believes that the growth of the Group will depend on business opportunities arising from new 5G peripherals, Internet of Things and related products. In anticipation of such business opportunities, the Group's research and development team is developing new 5G related products with reference to the market trend. New products under development include next generation radio frequency and antenna products. The Group's research and development team is working on these products in its research centre in Hsinchu, Taiwan. Hopefully, the Group's new 5G related products will bring about more business opportunities as well as revenue and profits to the Group.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our invaluable business partners, Shareholders, management and employees for their continuous support and contribution to the Group. We look forward to sharing the rewards ahead with you.

Kuo Jen Hao
Chairman

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHT AND BUSINESS REVIEW

The Group recorded a decrease in gross profit margin from 14.49% for the six months ended 30 June 2023 to 8.73% for the six months ended 30 June 2024 due to the increase in material costs, global shortage of chips and integrated circuits.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets. The revenue of this segment increased by approximately 31.1% as compared with the six months ended 30 June 2023.

— Segment revenue of media entertainment platform related products was approximately HK$70.3 million (six months ended 30 June 2023: approximately HK$53.6 million).

— Segment results from operations were approximately HK$2.0 million (six months ended 30 June 2023: approximately HK$1.8 million).

— Segment margin was approximately 2.88%, as compared with the segment margin of approximately 3.32% for the six months ended 30 June 2023.

Outlook

The Group is exploring new business opportunities for this segment. The China-US trade war is not expected to have material adverse impact on this segment as this segment does not have customers in the US.

OTHER MULTIMEDIA PRODUCTS

Owing to the increases in material costs and freight charges, the revenue of the Group's other multimedia products segment was lower than expected. Major products of this segment included cables, multimedia accessories and wireless mobile phone chargers for vehicles. Segment revenue decreased by approximately 12.7% as compared with the six months ended 30 June 2023.

— Segment revenue of other multimedia products was approximately HK$43.5 million (six months ended 30 June 2023: approximately HK$49.8 million).

— Segment results from operations were approximately HK$4.8 million (six months ended 30 June 2023: approximately HK$8.1 million).

— Segment margin was approximately 11.06%, as compared with the segment margin of approximately 16.16% for the six months ended 30 June 2023.

Outlook

We are enhancing our product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war and increase in freight charges have certain impacts on this segment as some of the customers are located in the US and the impact is partially mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia, and adjusting logistics structure.

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

The segment margin of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy from the Pandemic in the North America.

— Segment revenue of satellite TV equipment and antenna products was approximately HK$198.3 million (six months ended 30 June 2023: approximately HK$191.9 million).

— Segment results from operations were approximately HK$10.7 million (six months ended 30 June 2023: approximately HK$24.8 million).

— Segment margin was approximately 5.42%, as compared with the segment margin of approximately 12.93% for the six months ended 30 June 2023.

Outlook

Low noise blocking down converters ("**LNBs**") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite TV signals. Apart from the sales of LNBs to the customers in North America, we are exploring business opportunities in other areas such as cross-selling LNBs to other existing customers of the Group in South Asia. The research and development team of the Group endeavours to develop new products for next generation radio and antenna communications. The China-US trade war has some impacts on this segment as some of the Group's customers are located in the US. Such impacts are minimized by sourcing from suppliers outside the PRC, such as Southeast Asia.

GEOGRAPHICAL RESULTS

Asia

— Revenue from Asia for the six months ended 30 June 2024 was approximately HK$63.9 million, as compared with the six months ended 30 June 2023 of approximately HK$43.8 million.

— Approximately 46.0% increase in revenue from Asia compared with the six months ended 30 June 2023.

— Revenue from Asia shares approximately 20.5% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 14.8%).

Europe

— Revenue from Europe for the six months ended 30 June 2024 was approximately HK$44.0 million, as compared with the six months ended 30 June 2023 of approximately HK$44.4 million.

— Approximately 0.9% decrease in revenue from Europe compared with the six months ended 30 June 2023.

— Revenue from Europe shares approximately 14.1% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 15.0%).

Middle East

— Revenue from Middle East for the six months ended 30 June 2024 was approximately HK$8.0 million, as compared with the six months ended 30 June 2023 of approximately HK$5.0 million.

— Approximately 60.0% increase in revenue from Middle East compared with the six months ended 30 June 2023.

— Revenue from Middle East shares for approximately 2.6% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 1.7%).

North America

— Revenue from North America for the six months ended 30 June 2024 was approximately HK$189.2 million, as compared with the six months ended 30 June 2023 of approximately HK$184.2 million.

— Approximately 2.7% increase in revenue from North America compared with the six months ended 30 June 2023.

— Revenue from North America shares approximately 60.6% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 62.4%).

South America

— Revenue from South America for the six months ended 30 June 2024 was approximately HK$6.8 million, as compared with the six months ended 30 June 2023 of approximately HK$17.1 million.

— Approximately 60.2% decrease in revenue from South America compared with the six months ended 30 June 2023.

— Revenue from South America shares approximately 2.2% of the Group's total revenue for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately 5.8%).

Outlook

As our businesses in Asia, Europe and North America accounted for the majority of the Group's revenue, we shall focus on these regions in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		For six months ended 30 June	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*5*	**312,076**	295,340
Cost of sales		**(284,821)**	(252,533)
Gross profit		**27,255**	42,807
Other income, gains and losses	*6*	**16,738**	22,930
Increase/(decrease) in fair value of investment properties		**66,988**	(7,708)
Distribution and selling costs		**(9,672)**	(8,171)
Administrative and other expenses		**(57,447)**	(40,439)
Research and development costs		**(8,920)**	(12,338)
Provision for expected credit losses on financial assets		**(1,680)**	(3,858)
Finance costs		**(13,463)**	(14,872)
Share of loss of an associate		**(4)**	(25,610)
Profit/(loss) before income tax		**19,795**	(47,259)
Income tax (expense)/credit	*7*	**(17,845)**	367
Profit/(loss) for the period	*8*	**1,950**	(46,892)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(5,888)**	(2,433)
Other comprehensive income for the period		**(5,888)**	(2,433)
Total comprehensive income for the period		**(3,938)**	(49,325)

		For six months ended 30 June	
		2024	2023
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Profit/(loss) for the period attributable to:			
– Owners of the Company		**17,995**	(48,804)
– Non-controlling interests		**(16,045)**	1,912
		1,950	(46,892)
Total comprehensive income attributable to:			
– Owners of the Company		**7,028**	(50,237)
– Non-controlling interests		**(10,966)**	912
		(3,938)	(49,325)
		HK cents	*HK cents*
Earnings/(loss) per share	*10*		
Basic		**1.46**	(9.92)
Diluted		**1.46**	(9.92)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	**30 June 2024** **HK$'000** **(unaudited)**	31 December 2023 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**102,367**	107,330
Prepaid lease payments		**–**	1
Investment properties		**262,693**	197,471
Goodwill		**30,551**	31,145
Intangible assets		**5,286**	5,109
Interest in an associate		**–**	4
Deferred tax assets		**4,538**	4,597
Total non-current assets		**405,435**	345,657
Current assets			
Inventories		**101,401**	123,884
Trade, bills and other receivables	*12*	**389,133**	245,597
Prepaid lease payments		**14**	26
Loan receivables	*11*	**–**	–
Loan to an associate	*13*	**19,579**	19,579
Amount due from an associate	*13*	**37,093**	36,684
Pledged bank deposits		**5,883**	5,970
Bank balances and cash		**53,299**	69,359
Total current assets		**606,402**	501,099
Current liabilities			
Trade, bills and other payables	*14*	**523,551**	342,950
Contract liabilities		**17,057**	21,115
Tax liabilities		**12,976**	10,561
Bank and other borrowings		**200,238**	79,728
Provision for financial guarantee	*15*	**27,332**	27,332
Lease liabilities		**6,114**	7,497
Total current liabilities		**787,268**	489,183
Net current (liabilities)/assets		**(180,866)**	11,916
Total assets less current liabilities		**224,569**	357,573

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Non-current liabilities		
Bank and other borrowings	**144,756**	281,984
Deferred tax liabilities	**74,444**	60,179
Lease liabilities	**46,270**	52,373
Total non-current liabilities	**265,470**	394,536
NET LIABILITIES	**(40,901)**	(36,963)
Capital and reserves attributable to owners of the Company		
Share capital	**123,040**	123,040
Reserves	**(174,372)**	(181,400)
Capital deficiency attributable to owners of the Company	**(51,332)**	(58,360)
Non-controlling interests	**10,431**	21,397
CAPITAL DEFICIENCY	**(40,901)**	(36,963)

NOTES

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal place of business is located at Unit 516, 5th Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Group principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and compliance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

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

Basis of measurement and going concern assumption

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

During the period, the Group incurred a net profit of HK$17,995,000 attributable to owners of the Company and at the end of reporting period, the Group had net liabilities of approximately HK$40,901,000. As at the same date, the Group had bank and other borrowings of HK$200,238,000, which is subject to repayment or renewal in the next twelve months after the end of the reporting period. In addition, the Group had capital deficiency attributable to owners of the Company of HK$51,332,000 as at 30 June 2024.

In view of these circumstances, the directors of the Company ("**the Directors**") have given consideration to the future liquidity and performance of the Group and its available sources of finance in the preparation of a cash flow forecast covering a 18-month period from the end of the reporting period ("**Cash Flow Forecast**") for assessing whether the Group will have sufficient financial resources to continue as a going concern. In addition, the following plans and measures have been taken into account:

(1) Based on communication with banks, the Group should be able to renew most of the existing bank and other borrowings upon expiry on the basis that the Group have complied with the terms of the loan arrangements and, based on the experience the Directors, there is sufficient headroom of the credit enhancements provided by the Group over the amounts of borrowings; and

(2) As of the date of approval of these financial statements, the Group has unutilised bank loan facilities totalling HK$191,817,000.

Based on the Cash Flow Forecast, the Directors are of the opinion that the Group would have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for the at least twelve months subsequent to end of reporting period. Accordingly, the Directors considered that it is appropriate to continue to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, there are inherent uncertainties associated with the future outcome of the Cash Flow Forecast that, inter alia, includes whether the business outlook of the Group would not significantly deteriorate or change out of the Directors' expectation, the sales performance of newly launched products would achieve the targeted sales level and margin, the cost control measures could be effectively implemented without compromising the competitive edge of the Group, the Group would be able to renew the bank and other borrowings within the period of the Cash Flow Forecast. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Groups ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to adjust the value of assets to their estimated net realisable values, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

In the current period, the Group has applied for the first time the following new or revised HKFRSs that are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 No mandatory effective date yet determined but available for adoption.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2027.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 annual financial statements.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the executive Directors of the Company, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

Specifically, the Group's operating segments under HKFRS 8 are as follows:

(i) Media entertainment platform related products

Trading and manufacturing of media entertainment platform related products, which are mainly used for satellite products equipment.

(ii) Other multimedia products

Trading and manufacturing of components of audio and video electronic products such as cable lines.

(iii) Satellite TV equipment and antenna products

Trading and manufacturing of satellite TV equipment, antenna and other related electronic products.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2024

	Media entertainment platform related products *HK$'000* (unaudited)	Other multimedia products *HK$'000* (unaudited)	Satellite TV equipment and antenna products *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
REVENUE				
External sales	**70,268**	**43,520**	**198,288**	**312,076**
Timing of revenue recognition				
At a point in time	**70,268**	**43,520**	**198,288**	**312,076**
RESULTS				
Segment results	**2,027**	**4,814**	**10,742**	**17,583**
Other income, gains and losses				**16,738**
Increase in fair value of investment properties				**66,988**
Administrative and other expenses				**(57,447)**
Research and development costs				**(8,920)**
Provision for expected credit losses on trade receivables				**(1,603)**
Provision for expected credit losses on amount due from an associate				**(77)**
Finance costs				**(13,463)**
Share of loss of an associate				**(4)**
Profit before income tax				**19,795**

Six months ended 30 June 2023

	Media entertainment platform related products *HK$'000* (unaudited)	Other multimedia products *HK$'000* (unaudited)	Satellite TV equipment and antenna products *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
REVENUE				
External sales	53,601	49,822	191,917	295,340
Timing of revenue recognition				
At a point in time	53,601	49,822	191,917	295,340
RESULTS				
Segment results	1,777	8,050	24,809	34,636
Other income, gains and losses				22,930
Decrease in fair value of investment properties				(7,708)
Administrative and other expenses				(40,439)
Research and development costs				(12,338)
Provision for expected credit losses on trade receivables				(4,391)
Reversal of expected credit losses on loan to an associate				524
Reversal of expected credit losses on amount due from an associate				9
Finance costs				(14,872)
Share of loss of an associate				(25,610)
Loss before income tax				(47,259)

Segment results represent the profit earned by each segment without allocation of other income, gains and losses, changes in fair value of investment properties, administrative and other expenses, research and development costs, provision for/reversal of expected credit losses, finance costs and share of loss of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

6. OTHER INCOME, GAINS AND LOSSES

	For six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Ancillary service income from tenants	**6,251**	6,320
Interest income	**3,138**	808
Interest income from an associate	**504**	502
Rental income	**7,521**	8,376
Net foreign exchange (loss)/gain	**(6,539)**	2,432
Others	**5,863**	4,492
	16,738	22,930

7. INCOME TAX EXPENSE/(CREDIT)

	For six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
the PRC	**78**	125
Jurisdictions other than the PRC and Hong Kong	**2,856**	1,523
	2,934	1,648
Under-provision in prior years:		
the PRC	**193**	42
Deferred taxation:		
Current period	**14,718**	(2,057)
	17,845	(367)

(i) the PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No tax is payable on the profit arising in Hong Kong as the entity operating in Hong Kong incurred tax losses for both periods.

(iii) United States

The Group's subsidiaries in United States of America are subjected to United States Federal Income Tax at 21% and States Income Tax at 6%.

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 25% to 30%.

(v) Macau

According to the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to Macanese Pataca ("**MOP**") 300,000 and 12% for taxable profits over MOP 300,000. Taxable profits below MOP 32,000 are exempt from tax.

No tax is payable on the profit arising in Macau as the entity operating in Macau incurred tax losses for both periods.

(vi) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax rates in the relevant jurisdictions.

8. PROFIT/(LOSS) FOR THE PERIOD

	For six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit/(loss) for the period has been arrived at after charging/(crediting):		
Directors' emoluments	**1,658**	1,663
Other staff costs	**43,047**	36,459
Contributions to defined contribution plans, excluding Directors	**466**	422
Total employee benefit expenses	**45,171**	38,544
Provision for expected credit losses on trade receivables	**1,603**	4,391
Reversal of expected credit losses on loan to an associate	**–**	(524)
Provision for/(reversal of) expected credit losses on amount due from an associate	**77**	(9)
Provision for expected credit losses on financial assets	**1,680**	3,858
Depreciation of property, plant and equipment	**4,139**	7,634
Depreciation of right-of-use assets	**3,935**	3,960
Amortisation of intangible assets *(Note (i))*	**1,194**	148
Release of prepaid lease payments	**12**	14
(Gain)/loss on disposal of property, plant and equipment *(Note (ii))*	**(137)**	4,503

Notes:

(i) Included in cost of sales

(ii) Included in other income, gains and losses

9. DIVIDENDS

No dividend was paid or declared during the interim period. The Board has resolved not to declare an interim dividend for the period.

10. EARNINGS/(LOSS) PER SHARE

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

	For six months ended 30 June	
	2024	2023
	(unaudited)	(unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings/(loss) per share *(HK$'000)*	**17,995**	(48,804)
Number of shares		
Weighted average number of ordinary shares at 30 June	**1,230,403,725**	492,161,490

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for each of the six months ended 30 June 2024 and 2023 respectively are the same as the basic earnings/(loss) per share because there were no dilutive potential ordinary shares during both periods.

11. LOAN RECEIVABLES

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Loans receivables *(Note (i))*	**12,989**	12,989
Loans and interest receivables due from former subsidiaries *(Note (ii))*	**981,363**	935,726
	994,352	948,715
Less: allowance for doubtful debts *(Note (iii))*	**(994,352)**	(948,715)
	–	–

Notes:

(i) As at 30 June 2024 and 31 December 2023, the Group had loan receivable amounting to HK$12,989,000 from a third party. The amount was unsecured and bore interest at 1.2% (31 December 2023: 1.2%) per annum. This loan receivable was fully impaired as at 30 June 2024 and 31 December 2023.

(ii) During the year ended 31 December 2019, the Group disposed of the entire equity interest in Speed Connection Group Limited (the "**Disposal**"), and since then, the loan receivables from Speed Connection Group Limited and its subsidiary, MyHD Media FZ LLC ("**MyHD**") were classified as loan receivables due from former subsidiaries.

The loan receivables due from former subsidiaries were arising from the disposal of all interests in MyHD and the extension of the existing loans to MyHD. For details, please refer to the announcement of the Company dated 31 December 2018 and the circular of the Company dated 25 May 2019. The amounts were unsecured, interest-bearing at rates ranged from 3 months London inter-bank offered rates ("**LIBOR**") plus 100 basis point per annum to 10% per annum and will be matured on 31 December 2020.

The principal amounts of these loan receivables at the date of the Disposal were US$71,298,000 (equivalent to approximately HK$556,616,000), in which amount of US$9,554,000 (equivalent to approximately HK$74,587,000) due from Speed Connection Group Limited, bore interest rate at 3 months LIBOR plus 100 basis points per annum; and amount of US$51,244,000 (equivalent to approximately HK$400,057,000) and amount of US$10,500,000 (equivalent to approximately HK$81,972,000) due from MyHD (the non-wholly owned subsidiary of Speed Connection Group Limited), bore interest rate at 10% per annum and at 3 months LIBOR plus 100 basis points per annum respectively, and the corresponding interest receivables were US$11,728,000 (equivalent to approximately HK$91,559,000). These loan receivables and the interest receivables, net of the provision of expected credit losses of approximately HK$219,000,000 as at the date of the Disposal, amounted to approximately HK$429,000,000 were recognised as loan receivables upon the Disposal.

In December 2019, management was given to understand that Speed Connection Group Limited and MyHD were in serious financial problem and ceased to operate in late 2019. As such, management considered these loan receivables were credit-impaired and recognised life time expected credit losses of the total net carrying amount of these loan receivables of approximately HK$429,000,000 at 31 December 2019.

The provision of expected credit losses was determined by the management of the Group based on the creditworthiness and the past collection history of the borrowers.

(iii) Allowances for doubtful debts

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
At the beginning of period/year	**948,715**	861,372
Unwinding of discount	**46,524**	85,588
Exchange realignment	**(887)**	1,755
At the end of period/year	**994,352**	948,715

12. TRADE, BILLS AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade and bills receivables	**113,144**	107,777
Other receivables	**275,989**	137,820
Total trade, bills and other receivables	**389,133**	245,597

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an ageing analysis of trade and bills receivables presented based on the invoice date at the end of the reporting periods:

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**100,809**	15,873
31 – 90 days	**9,150**	59,862
91 – 180 days	**3,349**	28,496
More than 180 days	**101,484**	134,750
	214,792	238,981
Less: loss allowance	**(101,648)**	(131,204)
	113,144	107,777

Based on the Group's assessment, a provision for expected credit losses on trade receivables of HK$1,603,000 (six months ended 30 June 2023: HK$4,391,000) was recognised to the statement of profit or loss during the period.

13. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE

	Notes	**30 June 2024** *HK$'000* **(unaudited)**	31 December 2023 *HK$'000* (audited)
Current assets			
Loan receivables	*(i)*	**19,579**	19,579
Trade receivables	*(ii)*	**33,908**	33,923
Interest receivable on loan receivables		**3,185**	2,761
		37,093	36,684
Amount due from an associate		**56,672**	56,263

Notes:

(i) The amount is unsecured and bears interest at a fixed rate of 4.75% (31 December 2023: 4.75%) per annum. The loan receivables will mature on 31 December 2024 (2023: 31 December 2023).

(ii) The amount is unsecured and interest-free. The Group allows a credit period of 360 days.

The following is an ageing analysis of trade receivables due from an associate, presented based on the invoice date, at the end of the reporting period:

	30 June 2024 *HK$'000* **(unaudited)**	31 December 2023 *HK$'000* (audited)
More than 360 days	**33,908**	33,923

Based on the Group's assessment, a provision for expected credit losses on trade receivables due from an associate of HK$77,000 (six months ended 30 June 2023: reversal of HK$9,000) and no reversal of expected credit losses on loan to an associate (six months ended 30 June 2023: HK$524,000) was recognised to the statement of profit or loss during the period.

14. TRADE, BILLS AND OTHER PAYABLES

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**196,872**	174,406
Bills payables	**11,958**	1,489
	208,830	175,895
Deposits received	**65,739**	66,211
Other payables and accruals *(Note)*	**248,982**	100,844
Total trade, bills and other payables	**523,551**	342,950

The following is an ageing analysis of trade and bills payables, presented based on the invoice date at the end of the reporting period:

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**66,327**	112,037
31 – 90 days	**56,397**	10,970
91 – 360 days	**41,097**	30,042
More than 360 days	**45,009**	22,846
	208,830	175,895

The average credit period for purchases of goods is 90 days.

Note: An amount due to a director of HK$1,153,000 (31 December 2023: HK$1,162,000) which was included in other payables. It is unsecured, interest free and repayable on demand.

15. PROVISION FOR FINANCIAL GUARANTEE

The Company had pursuant to the guarantee (the "**Guarantee**") given in favour of MyHD irrevocably guaranteed to pay all financial obligations of MyHD in relation to the third amendment agreement to the content supply agreement (the "**Content Supply Agreement**") dated 3 October 2016 which was entered into between MyHD and MBC FZ LLC. The Guarantee does not expire and the maximum amount payable by the Company under the Guarantee should not exceed US$3,500,000 (equivalent to approximately HK$27,332,000).

The Guarantee does not contain any conditions which need to be fulfilled or any circumstances which must arise before MyHD can enforce the same and demand payment from the Company. Notwithstanding that MyHD failed to observe all its payment obligations under the third amendment agreement to the Content Supply Agreement, since the date of the Guarantee up to the reporting date, the Company has not received any demand for payment from MyHD under the Guarantee.

At 30 June 2024 and 31 December 2023, the Group had recognised the provision for financial guarantee amounting to US$3,500,000 (equivalent to approximately HK$27,332,000) in relation to the Guarantee.

REVIEW OF FINANCIAL POSITION

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the overall cash and cash equivalent of the Group was approximately HK$53.3 million (31 December 2023: approximately HK$69.4 million). The Group managed its capital structure and liquidity to finance its operations by using bank and other borrowings and funds generated from operations.

The Group's current ratio (ratio of current assets to current liabilities) was 0.77 as at 30 June 2024 (31 December 2023: 1.02).

As at 30 June 2024, the Group's total borrowings were approximately HK$397.4 million (31 December 2023: approximately HK$421.6 million), out of which approximately HK$206.4 million (31 December 2023: approximately HK$87.2 million) were due within one year and the rest of approximately HK$191.0 million (31 December 2023: approximately HK$334.4 million) were due over one year. Approximately 42.1% of the Group's bank and other borrowings were denominated in US dollars ("**US$**") and the rest of them were denominated in Renminbi ("**RMB**"), Vietnamese Dongs and New Taiwan dollars. The effective interest rates on the Group's variable interest rate bank and other borrowings ranged from 1% to 9.125% per annum for the six months ended 30 June 2024. The gearing ratio (total borrowings over total assets of the Group) decreased from approximately 49.79% as at 31 December 2023 to approximately 39.27% as at 30 June 2024.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2024, the Group's general banking facilities (including bank loans and other borrowings) were secured by the following assets of the Group: (i) bank deposits of approximately HK$5.9 million (31 December 2023: approximately HK$6.0 million), (ii) property, plant and equipment with a carrying value of approximately HK$13.1 million (31 December 2023: approximately HK$13.6 million), (iii) investment properties of approximately HK$262.7 million (31 December 2023: approximately HK$197.5 million), (iv) trade receivables of approximately HK$47.9 million (31 December 2023: approximately HK$45.3 million), (v) inventories of approximately HK$6.3 million (31 December 2023: approximately HK$17.8 million), and (vi) pledge of the Company's interest in Pro Brand Technology, Inc.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the section headed "COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO THE REDEVELOPMENT", there were no significant investments held as at 30 June 2024 nor were there other plans for material investments on capital assets as at the date of this announcement.

FOREIGN EXCHANGE EXPOSURE

The Group's sales and purchases were denominated mainly in US$ and RMB. The Group was exposed to certain foreign currency exchange risks but it does not expect future currency fluctuations to cause material operation difficulties because the recent pressure from depreciation of RMB was manageable. However, the management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations. For the six months ended 30 June 2024, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

LITIGATIONS

Lawsuit in India

In October 2020, Aggressive Digital Systems Private Ltd. ("**AD**", a non-wholly owned subsidiary of the Company) received a summons to the National Company Law Tribunal ("**NCLT**") at Chandigarh in India that was filed by Aggressive Electronics Manufacturing Services Private Limited ("**AEMS**", a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the "**Petitioners**") against Top Dragon Development Limited (a wholly owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the "**Respondents**") alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. The last hearing was originally scheduled on 23 August 2024 at NCLT but was adjourned. The date of next hearing to be scheduled on 18 October 2024.

After consulting the Company's legal counsel in India and taking into account the possible factors including, but not limited to, the possible amount involved in the case, the Board considered that it is not probable that the Group will incur any material losses resulting from this litigation. Accordingly, no provision was made in the consolidated financial statements of the Group as at 30 June 2024 and 31 December 2023.

SUBSEQUENT EVENTS

There were no material subsequent events after the six months ended 30 June 2024.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

DISPOSAL OF ALL INTERESTS IN MYHD AND CONTINUATION OF LOANS AND GUARANTEE

References are made to the announcement of the Company dated 31 December 2018 (the "**Announcement**") and the circular of the Company dated 25 May 2019 (the "**Circular**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and in the Circular. On 31 December 2018, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company, at the nominal consideration of US$1 with effect from the Transaction Date. The Target Company was a wholly-owned subsidiary of the Company and indirectly held 51% interests in MyHD. All the Conditions set out in the Agreement had been satisfied and the Disposal was completed on 25 June 2019.

The Vendor had agreed with the Purchaser under the Agreement to procure that the Existing Loans shall continue to be advanced by the Company or SMT (as the case may be) to the Target Company and/or MyHD (as the case maybe) under the then existing arrangements notwithstanding the Completion taking place. Such arrangement confers the right to the Company or SMT (as the case may be) to receive the payments for the Existing Loans from the Target Company and/or MyHD (as the case may be) when the financial positions of the Target Company and/or MyHD (as the case may be) improve and have sufficient cash to settle the Existing Loans. As at 30 June 2024, there were Existing Loans which have been past due in the aggregate amount of US$125,704,000 comprising aggregate principal amount of US$71,298,000 and aggregate accrued interest (calculated based on the terms of agreements of Existing Loans) of US$54,406,000 owing by the Target Company and/or MyHD to the Company and/or SMT (as the case may be), the particulars of which are as follows:

Lenders	**Debtors**	**Prevailing interest rate**	**Maturity date**	**Principal amount outstanding as at 30 June 2024**	**Accrued interest as at 30 June 2024**
SMT	Target Company	3 months LIBOR + 100 basis points (Note 1)	31.12.2020	US$9,554,000 (approximately HK$74,587,000)	US$2,765,000 (approximately HK$21,586,000)
SMT	MyHD	3 months LIBOR + 100 basis points (Note 1)	31.12.2020	US$10,500,000 (approximately HK$81,972,000)	US$2,778,000 (approximately HK$21,687,000)
SMT	MyHD	10% per annum (Note 2)	31.12.2020	US$42,653,000 (approximately HK$332,988,000)	US$40,675,000 (approximately HK$317,546,000)
The Company	MyHD	10% per annum (Note 2)	31.12.2020	US$8,591,000 (approximately HK$67,069,000)	US$8,188,000 (approximately HK$63,923,000)
			Total	US$71,298,000 (approximately HK$556,616,000)	US$54,406,000 (approximately HK$424,742,000)

Notes:

1. As a reference, 3 months LIBOR as applicable to these two loans during the period between 1 May 2012 to 30 June 2024 ranged between 0.11775% and 5.54543%.

2. Prevailing interest rate shall be increased to 11% per annum after maturity date.

In December 2019, the Company was given to understand that the Target Company and MyHD were in serious financial problem and ceased to operate in late 2019. As such, the Company considered these loan receivables were credit impaired and full impairment in the amount of HK$646,366,000 was provided as at 31 December 2019. No interest income was recognised on the outstanding loan principal for the six months ended 30 June 2023 and 2024 as the recoverability of such interest receivables is remote.

The Vendor had also agreed that the Guarantee given by the Company to MyHD shall continue for the time being after the Completion. The maximum amount payable by the Company under the Guarantee would not exceed US$3,500,000 (equivalent to approximately HK$27,332,000). Notwithstanding that MyHD ceased its operation in late 2019, the Company has not received any demand for payment from MyHD under the Guarantee. At 30 June 2023 and 2024, the Group had recognised the provision for financial guarantee in the amount of US$3,500,000 (equivalent to approximately HK$27,332,000) in relation to the Guarantee.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Saved as disclosed in this results announcement, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO THE REDEVELOPMENT

References are made to (1) the announcement of the Company dated 17 August 2021 (the "**17 August Announcement**") in relation to the cooperation agreement dated 26 July 2021 and entered into between, among others, Sandmartin (Zhong Shan) Electronic Co., Ltd.* (中山聖馬丁電子元件有限公司) ("**ZSS**"), an indirect wholly-owned subsidiary of the Company, and Huasuan (the "**Cooperation Agreement**"), and (2) the announcements of the Company dated 19 July 2023 and 10 August 2023 (the "**19 July and 10 August Announcements**") in relation to the joint venture agreement dated 19 July 2023 and entered into between ZSS and Huasuan (the "**JV Agreement**").

* *For identification purpose only*

Pursuant to the Cooperation Agreement, Huasuan and ZSS shall cooperate to upgrade certain blocks of factory buildings and dormitories constructed on the Land owned by ZSS and to redevelop some vacant and undeveloped parts of the Land subject to prior consents and planning approvals from the relevant PRC government authorities.

With a view to strengthening the cooperation between the parties, ZSS and Huasuan entered into the JV Agreement to form a joint venture in the form of an unincorporated joint venture under the name of "Huasuan-Sandmartin Intelligent Manufacturing Park" (華算聖馬丁智造園) (the "**Joint Venture**") in the PRC and for the purposes of the Redevelopment and governing the cooperation arrangement.

The sole purpose and business of the Joint Venture is for the Redevelopment. Pursuant to the JV Agreement, the Redevelopment shall be carried out on the Land. The Group shall contribute the Land for the Redevelopment and Huasuan shall be responsible for funding the entire costs for the Redevelopment (save for the Land contributed by ZSS). If required, ZSS as the entity undertaking the Redevelopment shall secure the bank loans (the "**ZSS Development Loan**") used solely for funding the Redevelopment. As stipulated in the JV Agreement, Huasuan has the sole responsibility of repaying the ZSS Development Loan, both loan principal and interests.

In relation to the allocation of the properties constructed on the Land, the Group shall continue to be entitled to certain blocks of buildings constructed on the Land as at the date of the JV Agreement (which comprise factory buildings) (the "**Existing Buildings**"), the vacant area and roads covered under the current real estate title certificate issued to the Group. In relation to the new buildings to be constructed on certain parts of the Land which are currently vacant, the Group and Huasuan shall be entitled to 20% and 80%, respectively, of (i) the total gross floor area of the new buildings; and (ii) the corresponding revenue that is generated from the new buildings. In the event where certain parts of the Existing Buildings are to be demolished and redeveloped under the Redevelopment, the Group shall be entitled to (i) firstly, certain gross floor area of the newly built buildings; and (ii) secondly, an additional 5% of the remaining total gross floor area of the newly built buildings. After the aforesaid allocations to the Group, Huasuan shall be entitled to all of the entire balance of the gross floor area.

As continued commitment to the Redevelopment, Huasuan had paid to the Group a cooperation fund amounting to RMB60 million as security deposit (the "**Cooperation Fund**"), and in return, the Group had provided in favour of Huasuan (i) 100% of the shareholding interests in ZSS (the "**Equity Pledge**"), and (ii) one of the three pieces of land parcels within the Land (the "**Land Pledge**") as securities for the Cooperation Fund. Upon the aforesaid allocation of the newly built buildings and the corresponding revenue, the Cooperation Fund shall be refunded by the Group to Huasuan and the Equity Pledge and the Land Pledge shall be released by Huasuan and the Redevelopment is currently under construction.

The Redevelopment is currently under progress and some of the buildings are completed, hence the fair value of the investment properties of the Group has increased accordingly. For the six months ended 30 June 2024, increase in fair value of approximately HK$67.0 million is recognised in the statement of profit and loss.

For more details, please refer to the 17 August Announcement and the 19 July and 10 August Announcements.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2024, the Group employed a total of 1,181 (31 December 2023: 1,054) full-time employees. Employees of the Group are remunerated according to their performance and responsibilities. They receive training depending on their scope of works, especially those training relating to workplace health and safety.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The emoluments of the Directors are decided by the Board based on the recommendation of the remuneration committee, having regard to market competitiveness, individual performance and achievement. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold (including sale of treasury shares, if any) or redeemed any of the Company's listed securities.

As at 30 June 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance which are consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

During the six months ended 30 June 2024, the Company has applied the principles and has complied with code provisions of the Corporate Governance Code (the "**Code Provision(s)**") as contained in Appendix C1 to the Listing Rules, except for the following deviations with reason.

Under Code Provisions C.1.6 and F.2.2 of the Corporate Governance Code, independent non-executive directors and other non-executive directors should attend general meetings and chairman of the board should attend annual general meetings, respectively. Mr. Kuo Jen Hao, a non-executive Director and the chairman of the Board, Mr. Wu Chia Ming, an independent non-executive Director, and Mr. Lu Ming-Shiuan, an independent non-executive Director, were unable to attend the annual general meeting of the Company held on 7 June 2024 due to their other business commitments.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "**Audit Committee**") for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this announcement, the Audit Committee comprises three members, Ms. Chen Wei-Hui (chairperson of the Audit Committee), Mr. Lu Ming-Shiuan and Mr. Wu Chia Ming, all of whom are independent non-executive Directors. The interim financial information for the six months ended 30 June 2024 has not been audited by the independent auditor of the Company. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2024 and held discussion with the management. Based on the review and the discussion with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2024.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the Shareholders for their support to the Company.

By order of the Board
Sandmartin International Holdings Limited
Kuo Jen Hao
Chairman

Hong Kong, 30 August 2024

As at the date of this announcement, the Directors are:

Executive Directors
Mr. Hung Tsung Chin and Mr. Chen Wei Chun

Non-Executive Director
Mr. Kuo Jen Hao *(Chairman)*

Independent Non-Executive Directors
Mr. Wu Chia Ming, Ms. Chen Wei-Hui and Mr. Lu Ming-Shiuan