



Luxey International (Holdings) Limited
薈萃國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: <http://www.luxey.com.hk>

ANNUAL RESULTS 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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.

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This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

HIGHLIGHTS

- The Group has recorded a total revenue of approximately HK\$58,541,000 for the year ended 30 June 2024, representing approximately 18.6% decrease comparing to the year ended 30 June 2023.
- The Group's gross profit amounted to approximately HK\$14,922,000 for the year ended 30 June 2024.
- The Group has recorded a loss attributable to owners of the Company for the year ended 30 June 2024 of approximately HK\$1,196,000, representing a basic loss per share of HK0.15 cents.
- The Directors do not recommend the payment of any dividend for the year ended 30 June 2024.
- The Group has bank balances and cash of approximately HK\$17,038,000; no short-term and long-term borrowings as at 30 June 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Revenue	5	58,541	71,914
Cost of sales and service rendered		<u>(43,619)</u>	<u>(57,061)</u>
Gross profit		14,922	14,853
Other income	6	2,167	1,994
Impairment loss (recognised)/reversed under expected credit losses model, net		(1,079)	547
Selling expenses		(70)	(109)
Administrative expenses		<u>(16,953)</u>	<u>(18,358)</u>
Loss from operations		(1,013)	(1,073)
Finance costs	7	<u>(233)</u>	<u>(590)</u>
Loss before tax		(1,246)	(1,663)
Income tax expense	8	<u>(17)</u>	<u>(18)</u>
Loss for the year	9	<u>(1,263)</u>	<u>(1,681)</u>
Loss for the year attributable to:			
Owners of the Company		(1,196)	(1,482)
Non-controlling interests		<u>(67)</u>	<u>(199)</u>
		<u>(1,263)</u>	<u>(1,681)</u>
Loss per share	11		
Basic and diluted (<i>cents</i>)		<u>(0.15)</u>	<u>(0.19)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(1,263)</u>	<u>(1,681)</u>
Other comprehensive (expense)/income:		
<i>Item that will be reclassified subsequently to profit and loss:</i>		
Exchange differences on translation of foreign operations	<u>(293)</u>	<u>1,424</u>
Other comprehensive (expense)/income for the year	<u>(293)</u>	<u>1,424</u>
Total comprehensive expense for the year	<u><u>(1,556)</u></u>	<u><u>(257)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(1,489)	(58)
Non-controlling interests	<u>(67)</u>	<u>(199)</u>
	<u><u>(1,556)</u></u>	<u><u>(257)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		976	1,761
Right-of-use assets		633	1,618
Interest in an associate		—	—
Total non-current assets		1,609	3,379
CURRENT ASSETS			
Inventories		2,128	2,092
Trade and other receivables	12	29,052	32,789
Loan receivables	13	11,000	13,000
Bank balances and cash		17,038	13,239
Total current assets		59,218	61,120
CURRENT LIABILITIES			
Trade and other payables	14	25,206	24,351
Lease liabilities		762	2,938
Employee benefit obligations		3,154	3,185
Current tax liabilities		478	478
Total current liabilities		29,600	30,952
Net current assets		29,618	30,168
Total assets less current liabilities		31,227	33,547
NON-CURRENT LIABILITY			
Lease liabilities		—	764
NET ASSETS		31,227	32,783
CAPITAL AND RESERVES			
Share capital		269,325	270,910
Reserves		(218,118)	(218,214)
Equity attributable to owners of the Company		51,207	52,696
Non-controlling interests		(19,980)	(19,913)
TOTAL EQUITY		31,227	32,783

NOTES

For the year ended 30 June 2024

1. GENERAL INFORMATION

Luxey International (Holdings) Limited (the “Company”) was incorporated in Cayman Islands with limited liability. The address of registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business of the Company is Unit B, 5th Floor, Hang Cheong Factory Building, 1 Wing Ming Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company and all values are rounded to nearest thousands of units of HK\$ (“HK\$’000”), unless otherwise stated.

The Company is investment holding company and the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are set out in the notes to the consolidated financial statements.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). These consolidated financial statements also comply with the applicable disclosure requirement by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on 1 July 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s material accounting policies.

Except for disclosed above, the application of other new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and financial positions for current and prior years and/or on the disclosure set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosure ³
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1	Non-Current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Annual Improvements to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 ⁴

¹ Effective for annual periods beginning on or after 1 January 2024.

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 Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the financial performance and financial positions in the foreseeable future.

4. SEGMENT INFORMATION

The Group has three operating segments as follows:

Swimwear and garment	–	Manufacturing and trading of swimwear and garment products
E-Commerce and on-line shopping related	–	E-Commerce and provision of on-line shopping services
Money lending	–	Money lending business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as the Group's accounting policies to the consolidated financial statements. Segment profits or losses do not include certain other income and corporate administrative. Segment assets do not include other assets for general administrative use. Segment liabilities do not include other liabilities for general administrative use. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

	Swimwear and garment HK\$'000	E-Commerce and on-line shopping related HK\$'000	Money lending HK\$'000	Total HK\$'000
Year ended 30 June 2024				
Revenue from external customers	32,312	25,092	1,137	58,541
Segment profit/(loss)	4,178	(1,703)	245	2,720
<i>Amounts included in the measure of segment profit/(loss) or segment assets</i>				
Bank interest income	(8)	–	(306)	(314)
Finance costs	200	33	–	233
Depreciation of property, plant and equipment	699	–	–	699
Depreciation of right-of-use assets	677	306	–	983
Impairment loss (reversed)/recognised under expected credit losses model, net	(157)	112	1,124	1,079
As at 30 June 2024				
Segment assets	7,253	28,856	23,015	59,124
Segment liabilities	<u>26,681</u>	<u>1,094</u>	<u>3</u>	<u>27,778</u>
	Swimwear and garment HK\$'000	E-Commerce and on-line shopping related HK\$'000	Money lending HK\$'000	Total HK\$'000
Year ended 30 June 2023				
Revenue from external customers	39,812	30,822	1,280	71,914
Segment profit/(loss)	4,138	(1,532)	260	2,866
<i>Amounts included in the measure of segment profit/(loss) or segment assets</i>				
Bank interest income	(14)	–	–	(14)
Finance costs	527	10	53	590
Depreciation of property, plant and equipment	558	–	–	558
Depreciation of right-of-use assets	704	315	–	1,019
Impairment loss reversed under expected credit losses model	(26)	(521)	–	(547)
Additions to non-current assets (<i>note</i>)	988	613	–	1,601
As at 30 June 2023				
Segment assets	15,766	30,326	15,993	62,085
Segment liabilities	<u>28,102</u>	<u>1,391</u>	<u>4</u>	<u>29,497</u>

Note: Included additions to property, plant and equipment and right-of-use assets.

Reconciliations of segment profit or loss:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total profit or loss of reportable segments	2,720	2,866
Unallocated amounts:		
Other income	3	–
Administrative expenses	<u>(3,969)</u>	<u>(4,529)</u>
Consolidated loss before tax	<u>(1,246)</u>	<u>(1,663)</u>

Reconciliations of segment assets and liabilities:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets		
Total assets of reportable segments	59,124	62,085
Interest in an associate	–	–
Unallocated corporate assets	<u>1,703</u>	<u>2,414</u>
Consolidated total assets	<u>60,827</u>	<u>64,499</u>
Liabilities		
Total liabilities of reportable segments	27,778	29,497
Unallocated corporate liabilities	<u>1,822</u>	<u>2,219</u>
Consolidated total liabilities	<u>29,600</u>	<u>31,716</u>

Geographical information:

The Group's revenue from external customers by location of the customers and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (country of domicile)	6,944	1,423	533	1,349
People's Republic of China (the "PRC") (exclude Hong Kong and Macau)	19,730	30,822	1,076	2,030
United States of America	–	6,567	–	–
The United Kingdom of Great Britain and Northern Ireland	26,019	28,897	–	–
The Netherlands	4,042	1,712	–	–
Italy	1,533	1,715	–	–
France	–	176	–	–
Israel	273	602	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total	58,541	71,914	1,609	3,379
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Revenue from major customers:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Swimwear and garment segment:		
Customer A	26,019	28,909
E-Commerce and on-line shopping related segment:		
Customer B	19,730	26,533
	<hr/> <hr/>	<hr/> <hr/>

Except for disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

5. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of swimwear and garment products	32,312	39,812
Sales of second hand mobile phones	<u>25,092</u>	<u>30,822</u>
Revenue from contracts with customers recognised at a point in time	57,404	70,634
Revenue from other sources:		
Interest income from money lending business	<u>1,137</u>	<u>1,280</u>
	<u><u>58,541</u></u>	<u><u>71,914</u></u>

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contract for goods that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contract for goods that had an original expected duration of one year or less.

6. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	317	14
Government grants (<i>note</i>)	1,302	1,880
Sundry income	1	57
Sale of scrap material	33	43
Net foreign exchange gains	<u>514</u>	<u>–</u>
	<u><u>2,167</u></u>	<u><u>1,994</u></u>

Note: Government grants were received as refund of value-added tax and export duty. There were no unfulfilled conditions or contingencies relating to these government grants.

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	233	537
Interest on loan from a substantial shareholder	—	53
	<u>233</u>	<u>590</u>

8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
– PRC Enterprise Income Tax	<u>17</u>	<u>18</u>

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime of the Hong Kong Profits Tax as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

According to the EIT Law and the Implementation Regulation of the EIT Law of the PRC, an entity eligible as a Small Low-profit Enterprise is subject to preferential tax treatments. From 1 January 2021 to 31 December 2021, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to Enterprise Income Tax (“EIT”) calculated at 12.5% of its taxable income at a tax rate of 20%. From 1 January 2022 to 31 December 2022, the annual taxable income not more than RMB1,000,000 of a Small Low-profit Enterprise is subject to EIT calculated at 12.5% of its taxable income at a tax rate of 20% and the annual taxable income between RMB1,000,000 and RMB3,000,000 is calculated at 25% of its taxable income at a tax rate of 20%. From 1 January 2023 to 31 December 2024, the annual taxable income not more than RMB3,000,000 of a Small Low-profit Enterprise is subject to EIT calculated at 25% of its taxable income at a tax rate of 20%.

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong.

9. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2024	2023
	HK\$'000	HK\$'000
Auditor's remuneration for audit services	538	480
Cost of inventories sold (including in cost of sales and services rendered)	32,432	40,767
Depreciation of property, plant and equipment	699	558
Depreciation of right-of-use assets	983	1,019
Expenses related to short-term leases	49	335
Impairment loss (reversed)/recognised under expected credit losses model:		
– trade receivables	(45)	(547)
– loan receivables	1,124	–
Net foreign exchange (gains)/losses	(514)	415

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 30 June 2024 (2023: Nil).

11. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$1,196,000 (2023: HK\$1,482,000) and the weighted average number of ordinary shares of 799,230,000 (2023: 792,745,000) in issue for the year ended 30 June 2024.

Diluted loss per share

The exercise of the Group's outstanding convertible non-voting preference shares would be anti-dilutive for both years. Diluted loss per share was the same as the basic loss per share for both years.

12. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables from contracts with customers	40,394	43,841
<i>Less: allowance for credit losses</i>	<u>(12,578)</u>	<u>(12,623)</u>
Trade receivables, net of allowance for credit losses	27,816	31,218
Prepayment and deposits	1,091	1,348
Other receivables	<u>145</u>	<u>223</u>
	<u>29,052</u>	<u>32,789</u>

The Group's trading terms with customers are mainly on credit. The maximum credit terms granted to customers up to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on earlier of the invoice date or revenue recognition date, and net of allowance for credit losses, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 - 30 days	4,507	7,093
31 - 90 days	4,626	4,705
91 - 180 days	5,097	5,973
Over 180 days	<u>13,586</u>	<u>13,447</u>
	<u>27,816</u>	<u>31,218</u>

13. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fixed rate secured loan receivables within 1 year	12,124	13,000
Less: allowance for credit losses	<u>(1,124)</u>	<u>–</u>
	<u>11,000</u>	<u>13,000</u>

The interest rate was ranging from 6.0% to 10.0% as at 30 June 2024 (2023: ranging from 6.0% to 10.0%).

The Group seeks to maintain strict control over its outstanding loans receivable to minimise credit risk. Overdue balances are reviewed regularly by management.

As at 30 June 2024 and 2023, all of loan receivables were pledged by properties owned by the borrowers as collaterals (the “pledged properties”).

During the year ended 30 June 2024, the Group took possession of one of the pledged properties in order to recover the outstanding receivables balance of HK\$3,500,000. The Group has put up such properties for sale with a net consideration of HK\$2,376,000. Legal actions have been initiated for the remaining outstanding loan balance of HK\$1,124,000 after the disposal of pledged properties and the remaining balance was credit-impaired and full provision was made during the year.

All of loan receivables are pledged by properties owned by the borrowers as collaterals for both years.

14. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	1,677	2,685
Amount due to a substantial shareholder (<i>note</i>)	100	100
Contract liabilities	591	657
Accruals and other payables	<u>22,838</u>	<u>20,909</u>
	<u>25,206</u>	<u>24,351</u>

Note: The amount was unsecured, interest-free and repayable on demand.

The aging analysis of trade payables, based on the invoice date or date of receipt of goods, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 - 30 days	949	1,886
31 - 90 days	17	–
91 - 180 days	–	–
Over 180 days	<u>711</u>	<u>799</u>
	<u>1,677</u>	<u>2,685</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

For the year ended 30 June 2024 (the “Year”), loss attributable to owners of the Company was approximately HK\$1,196,000. Comparing to loss attributable to owners of the Company for year ended 30 June 2023 of approximately HK\$1,482,000, the decrease in loss attributable to the owners of the Company was mainly attributable to (i) increase in gross profit to approximately HK\$14,922,000 (2023: HK\$14,853,000); (ii) increase in other income to approximately HK\$2,167,000 (2023: HK\$1,994,000); and (iii) decrease in administrative expenses to HK\$16,953,000 (2023: HK\$18,358,000); partially set off by impairment losses under expected credit losses model approximately HK\$1,079,000 (2023: reversal of impairment losses HK\$547,000).

Revenue and Gross Profit

For the Year, the Group’s total revenue and gross profit were approximately HK\$58,541,000 and HK\$14,922,000 respectively, as comparing to approximately HK\$71,914,000 and HK\$14,853,000 respectively for the year ended 30 June 2023.

Details of the decrease in total revenue and increase in gross profit are discussed below:

Manufacturing and trading of high-end swimwear and garment products (“Swimwear and garment segment”)

The revenue generated from Swimwear and garment segment for the Year was approximately HK\$32,312,000 (2023: HK\$39,812,000). Gross profit for the Year was approximately HK\$12,992,000 (2023: HK\$12,736,000). Gross profit ratio for the Year was 40.20% (2023: 31.99%). Increase in gross profit for the Year was mainly due to increase in higher profit margin order for swimwear and garment segment, as compared with the corresponding period in 2023.

E-commerce and on-line shopping related services (“E-Commerce and on-line shopping related segment”)

The E-commerce and on-line shopping related segment mainly represents (i) buying, refurbishing and selling second hand mobile phones through online platforms, trading of cameras and electronic parts and (ii) acting as agents (“Agency Services”) for suppliers in arranging and providing value added services on facilitating the sale of second hand mobile phones to buyers through online shopping platforms. The revenue generated from E-Commerce and on-line shopping related segment for the Year was approximately HK\$25,092,000 (2023: HK\$30,822,000). Gross profit for the Year was approximately HK\$793,000 (2023: HK\$837,000). Gross profit ratio for the Year was 3.16% (2023: 2.72%). The decrease in revenue was mainly due to weaker sales pricing as a result of the strong US dollar.

Money lending business (“Money lending segment”)

The revenue generated from Money lending segment for the Year was approximately HK\$1,137,000 (2023: HK\$1,280,000). Gross profit for the Year was approximately HK\$1,137,000 (2023: HK\$1,280,000). Gross profit ratio for the Year was 100% (2023: 100%).

OPERATIONS

During the Year, the Group maintained an effective cost measures in controlling the cost structure of its operations. Besides, the Group will be extremely prudent in the expansion of its operations in an organic manner. We also believe that it is of the Group’s best interest to explore different sources of income while still maintains an effective and efficient overhead structure for our supporting departments in each of the business segments under operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group had total assets of approximately HK\$60,827,000 (2023: HK\$64,499,000). As at 30 June 2024, the Group had bank balances and cash of approximately HK\$17,038,000 (2023: HK\$13,239,000). The Group has a current ratio of approximately 2.00 comparing to that of 1.97 as at 30 June 2023. As at 30 June 2024, the Group’s gearing ratio of 40% (2023: 56%) was calculated as net debts divided by total equity. Net debts is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The following are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could be material in the future:

1. **Reliance on a small number of key suppliers**

The Group's five largest suppliers, which accounted for 88% (2023: 85%) of the Group's total purchases, There is no assurance that these major suppliers shall continue to provide the goods to us at price acceptable to our Group. In the event that our Group were unable to retain these suppliers, or procure replacement suppliers, our business, results of operations, profitability and liquidity might be adversely affected. However, the Group has established strong business relationship with these major suppliers.

2. **Reliance on a small number of key customers**

The Group's five largest customers, which accounted for 77% (2023: 90%) of the Group's total revenue. There is no assurance that major customers will continue to conduct business with us. In the event that major customers materially reduce their purchase orders with the Group or cease to conduct business with the Group and the Group fails to obtain a comparable level of purchase orders from new customers, the Group's business, result of operations and financial condition may be adversely affected. Customer satisfaction with our products has a profound effects on our profitability. To provide good quality services to our customers, our Group is in constant communication with our customers and potential customers to uncover and create customer needs and help customers make informed decision.

3. **Foreign exchange rate risk**

The Group business transactions, assets and liabilities are mainly denominated in Hong Kong dollars, Renminbi and United States dollars, of which the Group's exposure to foreign exchange risk is considered as limited. During the Year, the Group did not carry out any hedging activity against foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may have a financial impact on the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

4. Investment risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board of Directors.

As at 30 June 2024, issued and fully paid share capital of the Company included (a) 801,535,615 (2023: 792,745,615) ordinary shares of HK\$0.10 each; (b) 1,083,333,333 convertible non-voting preference shares (“CPS”) (2023: 1,083,333,333) of HK\$0.15 each; and (c) 166,693,518 (2023: 182,092,500) series B convertible non-voting preference shares (“Series B CPS”) of HK\$0.16 each. Pursuant to the terms of the CPS and Series B CPS, the conversion prices of the outstanding CPS and Series B CPS were adjusted from HK\$1.2 and HK\$0.3 per share to HK\$1.121 and HK\$0.2803 per share respectively as a result of the rights issue. The said adjustment took effect on 19 August 2020, being the day next following the Record Date.

HEDGING POLICY

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

CREDIT POLICY

The credit terms given to customers are generally based on the financial strengths of individual customers. The maximum credit term granted to customers are up to 180 days.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 95 full time employees compared with that of 88 in the previous financial year. The employee benefits expenses were approximately HK\$13,367,000 (2023: HK\$14,648,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong and the PRC respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including Directors) and consultants to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CONTINGENT LIABILITIES

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

CHARGE ON ASSETS

As at 30 June 2024, the Group did not have any material charge or assets (2023: Nil).

PROSPECT

We expect that the Group's manufacturing and trading of swimwear and garment products segment will remain steady. The Group will continue to adopt costs cutting measures and is well position to capture the business opportunities from the market recovery. The Company is committed to maintaining this segment as the Group's principal business. The Company will continue to deepen its relationships with existing customers and will seek new business opportunities with new customers including domestic customers in China.

For the E-commerce and on-line shopping related segment, due to the strong US dollar, there was a downward pressure in the selling price of second hand mobile phones while the purchase costs remained still. There was also lower demand for high quality mobile phones. The Group will closely monitor the market challenges and to maintain this segment in healthy operation.

For the money leading business, the Group will continue to maintain and develop the business and to allocate sufficient resources to meet business demands.

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

There are no purchase, sale or redemption of the Company's listed securities by the Group during the Year.

COMPETING INTERESTS

The Directors are not aware of, as at 30 June 2024, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The audit committee has reviewed the Group's audited results for the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the year, the Company is in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

AUDITOR

The consolidated financial statements for the Year have been audited by Elite Partners CPA Limited. A resolution will be submitted to the Annual General Meeting to re-appoint Elite Partners CPA Limited as auditor of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the Year is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.luxey.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board of
Luxey International (Holdings) Limited
Lau Chun Fat, George
Executive Director

Hong Kong, 26 September 2024

As at the date of this announcement, the Board comprises two (2) Executive Directors, namely, Mr. Lau Chun Fat, George and Ms. Chan Hiu Kwan, and three (3) Independent Non-executive Directors, namely Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.