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TEMPUS

騰邦控股

TEMPUS HOLDINGS LIMITED

騰邦控股有限公司

(IN LIQUIDATION)

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 06880)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024
AND
CONTINUED SUSPENSION OF TRADING**

Reference is made to the announcements of the Company dated 14 October 2022, 30 March 2023, 3 April 2023, 28 April 2023, 18 May 2023, 11 July 2024, 18 July 2023, 31 August 2023, 28 September 2023, 10 October 2023, 16 January 2024, 19 April 2024, 13 May 2024, 20 May 2024, 5 September 2024, and 28 October 2024 (the “**Announcements**”). Unless otherwise defined in this announcement, capitalised terms herein shall have the same meanings as ascribed to them in the Announcements.

The Joint and Several Liquidators of Tempus Holdings Limited (In Liquidation) (the “**Company**”, together with its subsidiaries, the “**Group**”) present the unaudited interim results of the Group for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 Interim Report of the Company, complies with the relevant content requirements of the Listing Rules in relation to preliminary announcements of interim results.

CONTINUED SUSPENSION OF TRADING

Trading on the Stock Exchange in the shares of the Company which was suspended with effect from 9:00 a.m. on 3 April 2023 remains suspended and will continue to be so until further notice.

The Company will keep the public informed by making further announcements as appropriate.

If the shareholders of the Company have any query about the implications of the appointment of the Liquidators and the continued suspension of trading referred to above, they are advised to obtain appropriate professional advice.

For and on behalf of
Tempus Holdings Limited (In Liquidation)
Wing Sze Tiffany Wong
Edward Simon Middleton
Joint and Several Liquidators
acting as agents without personal liabilities

Hong Kong, 19 November 2024

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Zhong Yiming and Mr. Wang Xingyi; one Non-executive Director, namely Mr. Zhong Baisheng; and two Independent Non-executive Directors, namely Mr. Li Qi and Mr. Peng Chaolin.

The affairs, business and property of the Company are being managed by the Liquidators who act as the agents of the Company only and without personal liabilities.

The announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days after the date of publication.

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CORPORATE INFORMATION

JOINT AND SEVERAL LIQUIDATORS (THE “LIQUIDATORS”)

Ms. Wing Sze Tiffany Wong
Mr. Edward Simon Middleton

BOARD OF DIRECTORS

Executive Directors

Mr. Zhong Yiming (*Chief Executive Officer*)
Mr. Wang Xingyi

Non-executive Director

Mr. Zhong Baisheng (*Chairman*)

Independent Non-Executive Directors

Mr. Li Qi
Mr. Peng Chaolin
Ms. Lo Wing Yan Emmy (*Resigned with effect from 8 May 2024*)

COMPANY SECRETARY

Ms. Lam Yin Ling

EXECUTIVE COMMITTEE

Mr. Zhong Yiming (*Chairman*)
Mr. Wang Xingyi

AUDIT COMMITTEE

Mr. Li Qi
Mr. Peng Chaolin

REMUNERATION COMMITTEE

Mr. Peng Chaolin (*Chairman*)
Mr. Li Qi
Mr. Wang Xingyi
Mr. Zhong Yiming

NOMINATION COMMITTEE

Mr. Peng Chaolin (*Chairman*)
Mr. Li Qi

AUTHORISED REPRESENTATIVES

Ms. Lam Yin Ling

REGISTERED OFFICE

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

OFFICE OF THE LIQUIDATORS

14/F, St. George’s Building
2 Ice House Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

CORPORATE INFORMATION (continued)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point, Hong Kong

AUDITOR

Moore CPA Limited
801–806 Silvercord, Tower 1
30 Canton Road, Tsimshatsui
Kowloon, Hong Kong



FINANCIAL HIGHLIGHT

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
OPERATING RESULTS:		
Revenue	69,774	71,606
Loss for the period attributable to:		
Owners of the Company	(24,418)	(111,286)
Non-controlling interests	—	—
	(24,418)	(111,286)
Loss per share		
Basic and diluted (HK cents)	(5.59)	(25.49)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	notes	Unaudited for the six months ended	
		30 June 2024 HK\$'000	30 June 2023 HK\$'000
Revenue	3A, 3B	69,774	71,606
Cost of sales		(23,179)	(30,710)
Gross profit		46,595	40,896
Other income	4	1,203	1,432
Other gains and losses, net	5	(304)	110
Selling and distribution expenses		(41,490)	(46,937)
Administrative expenses		(10,156)	(12,031)
Finance costs	6	(20,266)	(94,756)
Loss before tax	7	(24,418)	(111,286)
Income tax expense	8	—	—
Loss for the period		(24,418)	(111,286)
Other comprehensive (loss)/income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(708)	(127)
		(708)	(127)
Total comprehensive loss for the period		(25,126)	(111,413)



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited for the six months ended	
	notes	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Loss for the period attributable to:			
Owners of the Company		(24,418)	(111,286)
Non-controlling interests		—	—
		(24,418)	(111,286)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(25,126)	(111,413)
Non-controlling interests		—	—
		(25,126)	(111,413)
Loss per share	10		
Basic and diluted (HK cents)		(5.59)	(25.49)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	882	355
Right-of-use assets	11	14,658	15,160
Deferred tax assets		81	84
Utility and other deposits paid		6,528	3,408
		22,149	19,007
Current assets			
Inventories	12	7,781	9,426
Trade and other receivables	13	14,982	17,134
Utility and other deposits paid		2,862	6,532
Tax recoverable		17	—
Bank balances and cash		18,978	27,143
		44,620	60,235
Current liabilities			
Trade and other payables	14	34,200	33,881
Contract liabilities		5,482	7,747
Amount due to immediate holding company		546	546
Amounts due to Deconsolidated Subsidiaries		98,402	103,204
Lease liabilities		23,310	21,138
Tax payable		—	72
Other borrowings	15	15,305	15,305
Convertible bonds	16	255,728	235,476
		432,973	417,369
Net current liabilities		(388,353)	(357,134)
Total assets less current liabilities		(366,204)	(338,127)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 30 JUNE 2024

	notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		14,487	17,438
		14,487	17,438
Net liabilities			
Capital and reserves			
Share capital	17	34,007	34,007
Deficit		(414,698)	(389,572)
Total deficit			
		(380,691)	(355,565)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2024 (audited)	34,007	373,283	32	2,126	418	(124,750)	—	15	(640,696)	(355,565)	—	(355,565)
Loss for the period	—	—	—	—	—	—	—	—	(24,418)	(24,418)	—	(24,418)
Other comprehensive loss for the period — exchange differences arising on translation of foreign operations	—	—	—	—	(708)	—	—	—	—	—	—	(708)
Total comprehensive loss for the period	—	—	—	—	(708)	—	—	—	(24,418)	(25,126)	—	(25,126)
Recognition of equity-settled share-based payments (note 20)	—	—	—	—	—	—	—	—	—	—	—	—
Issue of shares (note 17)	—	—	—	—	—	—	—	—	—	—	—	—
At 30 June 2024 (unaudited)	34,007	373,283	32	2,126	(290)	(124,750)	—	15	(665,114)	(380,691)	—	(380,691)
At 1 January 2023 (audited)	34,007	373,283	32	2,547	(154)	(124,750)	—	15	(497,033)	(212,053)	—	(212,053)
Loss for the period	—	—	—	—	—	—	—	—	(111,286)	(111,286)	—	(111,279)
Other comprehensive income for the period — exchange differences arising on translation of foreign operations	—	—	—	—	(127)	—	—	—	—	—	—	(127)
Total comprehensive income/(loss) for the period	—	—	—	—	(127)	—	—	—	(111,286)	(111,413)	—	(111,413)
Recognition of equity-settled share-based payments (note 20)	—	—	—	—	—	—	—	—	—	—	—	—
Issue of shares (note 17)	—	—	—	—	—	—	—	—	—	—	—	—
At 30 June 2023 (unaudited)	34,007	373,283	32	2,547	(281)	(124,750)	—	15	(608,319)	(323,466)	—	(323,466)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited for the six months ended	
	notes	30 June 2024 HK\$'000	30 June 2023 HK\$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES		6,910	5,363
INVESTING ACTIVITIES			
Placement of bank deposits with original maturity over three months		—	(3,229)
Withdrawal of bank deposits with original maturity over three months		5,919	—
Bank interest received		203	132
Purchases of property, plant and equipment	11	(783)	(403)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		5,339	(3,500)
FINANCING ACTIVITIES			
Repayments of lease liabilities		(13,364)	(13,780)
NET CASH USED IN FINANCING ACTIVITIES		(13,364)	(13,780)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,115)	(11,917)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14,991	47,934
Effect of foreign exchange rate changes		(652)	(117)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,224	35,900
ANALYSIS OF THE BALANCES OF BANK BALANCES AND CASH			
Bank deposits with original maturity within three months and cash		13,224	35,900
Bank deposits with original maturity over three months		5,754	11,866
		18,978	47,766

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

Except for the matters described in section “Deconsolidation” and “Going concern” below, the condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). Trading in the shares of the Company (as defined below) on the Stock Exchange has been suspended since 3 April 2023.

The condensed consolidated financial statements is presented in Hong Kong Dollars (“**HK\$**”).

Winding-up Petition and appointment of the Liquidators

On 16 June 2023, Wan Tai Investments Limited (the “**Petitioner**”) filed the Petition against Tempus Holdings Limited (In Liquidation) (the “**Company**”) with the High Court of Hong Kong (the “**High Court**”) on the basis of the Company’s inability to meet the statutory demand issued against the Company.

By an Order of the Honourable Madam Justice Linda Chan at the hearing of the Petition at the High Court on 28 August 2023, the substantive hearing of the Petition was adjourned to 25 September 2023. The Company was ordered to be wound up by the High Court and McKenna Phyllis (the “**Official Receiver**”) was appointed as the Provisional Liquidator of the Company. Ms. Wing Sze Tiffany Wong and Mr. Edward Simon Middleton, both of Alvarez & Marsal Asia Limited, 14/F., St. George’s Building, 2 Ice House Street, Central. Hong Kong, were appointed as the Joint and Several Liquidators (the “**Liquidators**”) pursuant to an Order of the High Court on 27 December 2023.

Deconsolidation

In the Company’s annual report for the year ended 31 December 2023, it was disclosed that the Liquidators have been unable to have access to the books and records and accounting, management and other personnel of certain subsidiaries of the Company (the “**Deconsolidated Subsidiaries**”) and certain indirectly held associates (the “**Derecognised Associates**”). According to the Liquidators, Mr. Zhong Baisheng (“**Mr. Zhong**”), the ultimate controlling party of the Company and its subsidiaries (the “**Group**”) during the year ended 31 December 2023 who is also the non-executive director of the Company has not provided the accounting books and records of the Company and the Deconsolidated Subsidiaries and Derecognised Associates despite repeated requests made by the Liquidators since their appointment as liquidators on 27 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION (continued)

Deconsolidation (continued)

As such, the Liquidators have no access to the accounting books and records of the Company, its subsidiaries and an associate, except for four wholly owned subsidiaries namely "OTO Bodycare (H.K.) Limited", "OTO International (Macau) Company Limited", "OTO Wellness Sdn. Bhd." and "OTO Wellness Pte. Ltd." (the "**Four Subsidiaries**"). Accordingly, the Liquidators determined to deconsolidate the Deconsolidated Subsidiaries and derecognize the investment in the associates from the consolidated financial statements with effect from 1 January 2022. As such, the result of the Deconsolidated Subsidiaries and Derecognised Associates for the year ended 31 December 2023 and the assets and liabilities of the Deconsolidated Subsidiaries and the carrying amounts of Derecognised Associates as at 31 December 2023 have not been included into the consolidated financial statements of the Group. In the preparation of the consolidated financial statements of the Group for the year ended 31 December 2023, the Liquidators include the results, cash flow and financial position of the Company, a wholly owned subsidiary, OTO BVI Investment Limited, which is the immediate holding of the Four Subsidiaries and the Four Subsidiaries. In the opinion of the Liquidators, the consolidated financial statements of the Group for the year ended 31 December 2023 are prepared on the aforementioned basis present more fairly the results and the state of the affairs of the Group as a whole in light of the aforesaid incomplete books and records of the Deconsolidated Subsidiaries and associates.

Going concern

During the six months ended 30 June 2024, the Group reported a net loss of HK\$24,418,000. Besides, the Group failed to settle the convertible bonds of HK\$35,294,000 on or before 3 February 2023 and HK\$35,294,000 on or before 3 February 2024 as detailed in note 16, which constituted an event of default ("**EOD**"). Due to the occurrence of the EOD, the convertible bonds immediately become due and repayable and additional interest will accrue on the original aggregated outstanding amount from the date of the Deed (as defined below) at an internal rate of return of 18%.

The Group received a winding-up petition filed by the Petitioner against the Company and it was alleged in the winding-up petition that the Company was indebted to and failed to satisfy the lenders.

On 9 August 2024, the Company and the Liquidators (acting as agents) entered into an exclusivity agreement (the "**Exclusivity Agreement**") with an investor (the "**Investor**") in relation to a proposed restructuring of the Group (the "**Proposed Restructuring**"). Subject to further negotiation and the entering into formal restructuring agreement (the "**Restructuring Agreement**"), the Proposed Restructuring is expected to involve, among others, (i) capital reorganization of the Company, (ii) subscription (the "**Subscription**") of new shares of the Company (the "**Share(s)**"); and (iii) a creditors' scheme of arrangement. Pursuant to the Exclusivity Agreement, the Investor has paid an earnest money in the amount of HK\$6.5 million (the "**Earnest Money**"), and the Investor has been granted exclusivity in relation to the Proposed Restructuring from the date of Exclusivity Agreement until 24 October 2024 (the "**Exclusivity Period**").

On 24 October 2024, a supplemental agreement of the Exclusivity Agreement was entered to extend the Exclusivity Period until 24 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION (continued)

Going concern (continued)

As at the date of the issuance of these condensed consolidated financial statements, the Company received the following resumption guidance imposed by the Stock Exchange (the “**Resumption Guidance**”):

- 1) to conduct an appropriate independent forensic investigation into the suspected misappropriation of funds and the Issues, announce the findings of the investigation and take appropriate remedial actions;
- 2) to publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- 3) to conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;
- 4) to demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- 5) to inform the market of all material information for the Company’s shareholders and other investors to appraise the Company’s position;
- 6) to demonstrate the Company’s compliance with Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules;
- 7) have the winding-up order against the Company withdrawn or dismissed and the appointment of liquidators (be it provisional or official) discharged; and
- 8) re-comply with Listing Rule 13.92.

The Company shall also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and the Company’s place of incorporation. The Stock Exchange may modify the resumption conditions if the Company’s situation changes.

The condensed consolidated financial statements have been prepared on a going concern basis on the assumption that the Proposed Restructuring will be successfully completed, and that, the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future.

The condensed consolidated financial statements do not include any adjustments for possible failure of the continuance of the Group as a going concern. Should the Group be unable to operate as a going concern, in which case adjustments would have to be made to the consolidated financial statements to restate the values of assets to their estimated recoverable amounts, to provide for any further liabilities which might arise and to re-classify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

2. PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to HKFRSs

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3A. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue

For the six months ended 30 June 2024

	HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15	
Sales of relaxation products	66,147
Sales of fitness products and other products	3,627
Total	69,774
Geographical markets	
Hong Kong	35,080
Macau	5,872
Singapore	28,822
Total	69,774
Timing of revenue recognition	
A point in time	69,774

For the six months ended 30 June 2023

	HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15	
Sales of relaxation products	69,046
Sales of fitness products and other products	2,560
Total	71,606
Geographical markets	
Hong Kong	37,782
Macau	4,907
Singapore	28,917
Total	71,606
Timing of revenue recognition	
A point in time	71,606

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3B. REVENUE AND SEGMENT INFORMATION

During the six months ended 30 June 2024 and 2023, the Group principally operates in one business segment, which is sales of health and wellness products business.

4. OTHER INCOME

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Bank interest income	203	132
Government grants (<i>note</i>)	158	103
Sundry income	842	1,197
	1,203	1,432

note: The amounts recognised represented subsidies from government and there was no unfulfilled condition or contingency in respect of the government grants for the periods ended 30 June 2024 and 2023.

5. OTHER GAINS AND LOSSES, NET

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Net exchange (loss)/gain, net	(304)	94
Others	—	16
	(304)	110

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6. FINANCE COSTS

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Interest and charges on:		
Convertible bonds	20,252	94,740
Leases	15	16
	20,267	94,756

7. LOSS BEFORE TAX

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Loss before tax has been arrived at after charging:		
Cost of inventories recognised as an expense	23,179	30,710
Impairment losses on inventories	—	—
Depreciation of property, plant and equipment	238	166
Depreciation of right-of-use assets	12,468	14,086
Short-term leases expenses	1,098	956
Variable lease payments not included in the measurement of lease liabilities (based on turnover generated from the leased retail shops)	400	147
License fee	14,510	9,167

8. INCOME TAX EXPENSE

No provision of income tax have been made for the Company and its subsidiaries as the Company and its subsidiaries have sustained a tax loss for both periods.

9. DIVIDENDS

The Liquidators of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2024 (for six months ended 30 June 2023: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

10. LOSS PER SHARE

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

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Loss		
Loss for the year attributable to owners of the Company	(24,418)	(111,286)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	436,576	436,576

note: The computation of diluted loss per share for both interim periods does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the Company's shares.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the current interim period, the Group acquired property, plant and equipment of HK\$783,000 (for the six months ended 30 June 2023: HK\$403,000).

During the current interim period, the Group entered into leases for the use of buildings for two to three years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised HK\$4,230,000 (for the six months ended 30 June 2023: HK\$3,352,000) of right-of-use assets and HK\$4,230,000 (for the six months ended 30 June 2023: HK\$3,352,000) of lease liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. INVENTORIES

All inventories represent finished goods held for resale.

13. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	11,722	15,501
Prepayments	442	1,439
Other receivables	2,818	194
	14,982	17,134

Retail sales (other than those in department stores) are normally settled in cash or by credit cards with the settlement from the corresponding financial institutions within 14 days. Receivables from retail sales in department stores are collected within three months. The Group granted an average credit period from 30 days to 90 days to the corporate customers.

The following is an aging analysis of trade receivables, 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)
0–30 days	9,462	6,486
31–60 days	137	3,851
61–90 days	700	1,204
Over 90 days	1,423	3,960
	11,722	15,501

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	9,460	9,773
Accruals	5,594	16,248
Others	19,146	7,860
	34,200	33,881

The following is an aging analysis of trade payables 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)
0–30 days	5,130	4,315
31–60 days	918	2,551
61–90 days	1,442	1,890
Over 90 days	1,970	1,017
	9,460	9,773

The average credit period for trade payables ranges from 0 to 60 days.

15. OTHER BORROWINGS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Other borrowings — due within one year	15,305	15,305

The other borrowings bear fixed interest rate at 11% (31 December 2023: 11%) per annum. The other borrowings are unsecured.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. CONVERTIBLE BONDS

Convertible bonds issued on 1 June 2018 (“CB 2018A”)

On 15 May 2018, the Company entered into a subscription agreement (the “**Agreement A**”) with the CBs Holder, an independent third party. Pursuant to the Agreement A, the CBs Holder agreed to subscribe the convertible bonds with principal amount of HK\$160,000,000 at an interest rate of 7% per annum and guaranteed by the non-executive director of the Company, Mr. Zhong. The CB 2018A was issued to the CBs Holder on 1 June 2018 and was due on 30 May 2019.

The CB 2018A would be redeemed on maturity at its principal amount outstanding together with accrued interest due and payable by the Company on the maturity date.

The CBs Holder has the right to convert the CB 2018A in whole into shares at the maturity date. Upon full conversion, 67,510,549 new shares would be issued based on the initial conversion price of HK\$2.37 per share which is subject to certain adjustments as set out in the Agreement A. The conversion option lapsed upon maturity of convertible bonds on 30 May 2019.

According to the Company’s announcement dated 11 June 2019, pursuant to the terms and conditions (the “**Conditions**”) in the instruments of the convertible bonds, it is an EOD if, among others, Tempus Group Co., Ltd.* (騰邦集團有限公司) (“**Tempus Group**”) fails to make any payment in respect of any financial indebtedness in an amount exceeding HK\$30,000,000 (or its equivalent in another currency or currencies) on the due date for payment as extended by any originally applicable grace period. In case of an EOD, the convertible bonds will immediately become due and repayable upon notice of an EOD being given to the Company and additional interest will accrue on the outstanding principal amount of the convertible bonds from the date of the occurrence of an EOD to the date of actual payment at an internal rate of return of 18% per annum. Due to Tempus Group’s default on the convertible bonds on 25 May 2019, the Company considered that it has technically triggered an EOD under the Conditions.

Further, the Group and its guarantor failed to fully settle the outstanding principal amount of HK\$162,752,000 together with accrued interest of HK\$5,600,000 of the CB 2018A on 30 May 2019. As at 30 June 2021, the interest accrued by the Group after default amounting to HK\$51,125,000. The Group partially settled HK\$74,392,000 after the maturity date of the CB 2018A of which HK\$15,500,000 was settled during the period ended 30 June 2021. As at 30 June 2021, the outstanding principal amount together with accrued interest of the CB 2018A amounted to HK\$145,085,000.

Convertible bonds issued on 16 October 2018 (“CB 2018B”)

On 9 October 2018, the Company entered into another subscription agreement (the “**Agreement B**”) with the CBs Holder. Pursuant to the Agreement B, the CBs Holder agreed to further subscribe the convertible bonds with principal amount of HK\$30,000,000 at an interest rate of 7% per annum and guaranteed by the non-executive director of the Company, Mr. Zhong. The CB 2018B was issued to the CBs Holder on 16 October 2018 and was due on 14 October 2019.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. CONVERTIBLE BONDS (continued)

Convertible bonds issued on 16 October 2018 ("CB 2018B") (continued)

The CB 2018B would be redeemed on maturity at its principal amount outstanding together with accrued interest due and payable by the Company on the maturity date.

The CBs Holder has the right to convert the CB 2018B in whole into shares at the maturity date. Upon full conversion, 23,510,971 new shares would be issued based on the initial conversion price of HK\$1.276 per share which is subject to certain adjustments as set out in the Agreement B. The conversion option lapsed upon maturity of convertible bonds on 14 October 2019.

Due to the occurrence of EOD mentioned in the CB 2018A, the CB 2018B immediately become due and repayable upon notice of repayment being given to the Company and additional interest accrued on the outstanding principal amount of the CB 2018B from the date of the occurrence of an EOD to the date of actual payment at an internal rate of return of 18% per annum on the principal amount outstanding under the CB 2018B.

Further, the Group and its guarantor failed to fully settle the principal amount outstanding of HK\$30,516,000 together with accrued interest of HK\$1,312,000 of the CB 2018B on 30 May 2019.

On 23 March 2021, the Company received a letter from the CBs Holder demanding repayment of the outstanding amount of the convertible bonds amounting to approximately HK\$194,661,000. According to the demand letter, the Company had 3 weeks after serving of this demand letter to repay the debt. After the expiry of the 3 weeks' period, the CBs Holder may present a winding-up petition against the Company.

On 27 August 2021, the Company entered into the bonds restructuring deed (the "**Deed**") with the CBs Holder, pursuant to which, the CBs Holder and the Company agreed that provided that there is no breach of any provisions of the Deed by the Company, no other interest and default interest (as applicable) shall accrue on any indebtedness under or arising from any of the bonds related documents other than those already included in the settlement amount of HK\$144,000,000 (the "**Settlement Amount**"). Pursuant to the Deed, the aggregated outstanding amount of the CB 2018A and the CB 2018B was HK\$197,450,000. If the Company fails to fully comply with the Deed and duly and punctually fulfil any of its obligation under the Deed or breaches any undertakings under the Deed, the CBs Holder reserves any and all of its rights and remedies available under the relevant bonds documents.

Pursuant to the settlement schedule of the Deed, the Company shall repay and settle the Settlement Amount in the following manner:

- (i) The Company shall repay a portion of the Settlement Amount in the sum of HK\$56,000,000 ("**Part I Cash Settlement Amount**") to the CBs Holder in four instalments during the year ended 31 December 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. CONVERTIBLE BONDS (continued)

Convertible bonds issued on 16 October 2018 ("CB 2018B") (continued)

- (ii) Subject to (a) the Company's full payment of the Part I Cash Settlement Amount in accordance with the Deed, and (b) having obtained all necessary internal and regulatory approvals, the Company shall allot and issue shares (the "**Settlement Shares**") to the CBs Holder on or before 31 January 2022. The price of per Settlement Share shall be 85% of the average of the closing prices per share for the 15 consecutive trading days immediately prior to the date on which the Company has made full payment of the Part I Cash Settlement Amount (the "**Share Settlement Price**"). The number of the Settlement Shares to be allotted by the Company and issued to the CBs Holder shall be the nearest integral number determined by dividing HK\$44,000,000 by the Share Settlement Price, provided that (i) the total number of the Settlement Shares shall represent no more than 20% of the total issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares, and (ii) the total number of the Settlement Shares to be held by the CBs Holder, together with any other shares held by it or parties acting in concert with it, as enlarged by the allotment and issue of the Settlement Shares shall not trigger a mandatory general offer under the Codes on Takeover and Mergers. In the event that either of the aforementioned events may be triggered, the number of the Settlement Shares shall be such highest possible integral number without triggering either of the aforementioned events. The amount of indebtedness deemed to have been repaid by the Company under the Agreement A and the Agreement B shall be determined by multiplying the number of the Settlement Shares by the Share Settlement Price (the "**Shares Settlement Amount**").
- (iii) The Company shall repay the remaining Settlement Amount (the "**Part II Cash Settlement Amount**", being the Settlement Amount less (i) the Part I Cash Settlement Amount, and less (ii) the Shares Settlement Amount) in two instalments. The first instalment is 50% of the Part II Cash Settlement Amount on or before the 1st anniversary of the shares settlement date which is no later than three (3) business days after 31 January 2022 or any other date as agreed between the CBs Holder and the Company (the "**Shares Settlement Date**") and the second instalment is the remaining 50% of the Part II Cash Settlement Amount on or before the 2nd anniversary of the Shares Settlement Date.

In addition, in the event that the total sum of the Part I Cash Settlement Amount, the Part II Cash Settlement Amount, and the net sales proceeds to be received by the CBs Holder provided that the CBs Holder subsequently disposes of Settlement Shares (collectively, the "**Relevant Amount**"), exceed the Settlement Amount, the CBs Holder shall pay 80% of the difference between the Relevant Amount and the Settlement Amount to the Company within five (5) Business Days upon such receipt.

During the year ended 31 December 2021, the Group repaid HK\$56,000,000 to the CBs Holder according to the settlement schedule of the Deed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. CONVERTIBLE BONDS (continued)

On 28 December 2021, the Company entered into the subscription agreement with the CBs Holder (the “**Subscription Agreement**”), pursuant to which the CBs Holder has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, on or before 31 January 2022 (the “**Long Stop Date**”), 87,315,200 ordinary shares of the Company (“**Subscription Share**”) at the subscription price of HK\$0.19941 per Subscription Share. On 13 January 2022, the Company obtained consent from the CBs Holder to extend the Long Stop Date to 28 February 2022. Upon the completion of the subscription, the carrying amount of convertible bonds shall reduce by HK\$20,484,000. The subscription was completed on 4 February 2022.

Pursuant to the settlement schedule of the Deed, the first instalment of the Part II Cash Settlement Amount of HK\$35,294,000 is repayable on or before 3 February 2022 and the second instalment of the Part II Cash Settlement Amount of HK\$35,294,000 is repayable on or before 3 February 2023. Subject to the Company’s due and punctual fulfilment of its obligation and undertakings under the Deed including repayment of the Settlement Amount, the remaining balance of the convertible bonds will be waived by the CBs Holder and accounted for as extinguishment.

On 3 February 2023, the Company failed to fully comply with the Deed and duly and punctually fulfilled its obligation or undertakings under the Deed.

The movement of the debt components of the CB 2018A and the CB 2018B for the current period are set out as below:

	Debt component HK\$’000
As at 1 January 2024 (audited)	235,476
Interest expenses and other charges	20,252
As at 30 June 2024 (unaudited)	255,728

The details of the Group’s convertible bonds at the end of the reporting period are as follows:

	30 June 2024 HK\$’000 (Unaudited)	31 December 2023 HK\$’000 (Audited)
Amount due within one year shown under current liabilities	255,728	235,476

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. SHARE CAPITAL

	Number of shares	Share capital US\$
Ordinary shares of US\$0.01 each		
Authorised:		
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	10,000,000,000	100,000,000
Issued and fully paid or credited as fully paid		
At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	436,576,000	4,365,760
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Presented as	34,007	34,007

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. RELATED PARTY TRANSACTIONS

(a) Related Party transactions and balances

During the current interim period, the Group entered into the following transactions with related parties:

Related parties	Nature of transaction	Unaudited for the six months ended	
		30 June 2024 HK\$'000	30 June 2023 HK\$'000
An associate	Logistic service expenses	—	605

The balance of amount with immediate holding company/an intermediate holding company/ultimate holding company is unsecured, interest-free and repayable on demand and is disclosed in the condensed consolidated statement of financial position. In the opinion of the directors of the Company, the amount due to immediate holding company/an intermediate holding company/ultimate holding company is expected to be settled within twelve months from the end of the reporting period.

(b) Compensation of key management personnel

Key management personnel comprises only the directors of the Company and their remuneration during the periods are as follows:

	Unaudited for the six months ended	
	30 June 2024 HK\$'000	30 June 2023 HK\$'000
Salaries and other benefits	1,428	1,430
Retirement benefits scheme contributions	9	9
	1,437	1,439

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENTS

The Company's share option scheme (the "**2011 Share Option Scheme**") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on 25 November 2011 for the primary purpose of recognising and acknowledging the contribution of the eligible participants had or may have made to the Group. Under the 2011 Share Option Scheme, the board of directors of the Company may grant options to eligible participants, including employees, directors of the Company and its subsidiaries and consultants, to subscribe for shares of the Company. The 2011 Share Option Scheme was expired on 25 November 2021.

Vesting of the share options is conditional upon the fulfilment of certain performance targets as set out in the respective offer letters to the grantees including financial targets of the Group and individual performance targets for certain periods.

As at 30 June 2024, the number of shares in respect of which options had been granted and remained outstanding under the 2011 Share Option Scheme was 22,898,000 (31 December 2023: 22,898,000), representing approximately 5.24% (31 December 2023: 5.24%) of the shares of the Company in issue at that date.

The maximum number of shares in respect of which options may be granted under the 2011 Share Option Scheme must not in aggregate exceed 10% of the total number of shares in issue on the date on which trading of the shares commenced on the Main Board of the Stock Exchange. At the annual general meeting of the Company held on 24 May 2019 (the "**2019 AGM**"), the shareholders of the Company passed an ordinary resolution to refresh the scheme mandate limit of the 2011 Share Option Scheme to 10% of the shares in issue as at the date of the 2019 AGM. Therefore, the maximum number of shares which may be issued upon exercise of all share options that may be granted under the refreshed scheme mandate limit is 34,926,080 shares. For details, please refer to the Company's circular dated 24 April 2019 and the Company's announcement dated 24 May 2019.

The Company has adopted a new share option scheme (the "**New Scheme**") pursuant to a resolution pass by the shareholders of the Company on 31 January 2022 for the purpose of enabling the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the New Scheme, the board of directors of the Company may grant options to eligible participants, including employees, directors of the Company and its subsidiaries and consultants, to subscribe for shares of the Company. Unless otherwise approved by the shareholders in general meeting, the number of shares that may be granted to an eligible participant under the New Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 1% of the shares in issue within any 12-month period. Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive directors. Unless otherwise approved by the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules, any grant of options to a substantial shareholder or independent non-executive director or their respective associates under the New Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not represent in aggregate over 0.1% of the shares in issue within any 12-month period. For details, please refer to the Company's circular dated 13 January 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENTS (continued)

Pursuant to the terms of the 2011 Share Option Scheme and in accordance with the relevant provisions of Chapter 17 of the Listing Rules, the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the shares in issue from time to time.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per eligible participant. Options may be exercised at any time during the exercise period as disclosed below. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of the share options are as follows:

Date of grant	No. of share options granted	Exercise period	Exercise price
23 November 2021	7,422,000 (note a)	23.11.2021 to 22.11.2026	HK\$0.238 per share
	7,422,000 (note b)	1.4.2022 to 22.11.2026	
	7,422,000 (note b)	1.4.2023 to 22.11.2026	
	7,422,000 (note b)	1.4.2024 to 22.11.2026	
	29,688,000		

notes:

- (a) The option was vested immediately on the date of grant.
- (b) The options are vested upon the fulfilment of individual performance targets for certain periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE-BASED PAYMENTS (continued)

The following table discloses movement of the Company's share options held by directors and eligible employees during the period:

Date of grant	Outstanding at 1 January 2024	Lapsed during the period	Expired during the period	Outstanding at 30 June 2024
23 November 2021	22,898,000	—	—	22,898,000
	22,898,000	—	—	22,898,000
Exercisable at the end of the period	11,449,000	—	—	11,449,000
Weighted average exercise price	HK\$0.238	HK\$0.238	HK\$0.238	HK\$0.238

No share options were granted or exercised during the six months ended 30 June 2024.

20. EVENTS AFTER THE REPORTING PERIOD

Appointment of the Liquidators

On 25 September 2023, the Company was ordered to be wound up by the High Court and the Official Receiver was appointed as the Provisional Liquidator of the Company.

On 27 December 2023, Ms. Wing Sze Tiffany Wong and Mr. Edward Simon Middleton, both of Alvarez & Marsal Asia Limited, 14/F., St. George's Building, 2 Ice House Street, Central. Hong Kong, were appointed as the Liquidators of the Company pursuant to an Order of the High Court.

Restructuring of the Company

References are made to the announcements of the Company dated 16 January 2024, 19 April 2024, 13 May 2024, 20 May 2024, 26 June 2024, 15 August 2024, 5 September 2024, 13 September 2024, 14 October 2024 and 28 October 2024.

Suspension of trading in shares of the Company

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 3 April 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. EVENTS AFTER THE REPORTING PERIOD (continued)

Cancellation of the Listing Status of the Company

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period has been expired on 2 October 2024 (the “**Deadline**”). The Stock Exchange advised that if the Company fails to remedy the issues causing its trading suspension, fulfil the resumption guidance and fully comply with the Listing Rules to the Stock Exchange’s satisfaction, the Listing Division will recommend the Listing Committee of the Stock Exchange (the “**Listing Committee**”) to proceed with the cancellation of the Company’s listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate. The Company will take appropriate steps to fully comply with the Listing Rules to the Stock Exchange’s satisfaction in order to have trading in the Company’s shares resumed.

On 18 October 2024, the Company received a letter (the “**Letter**”) from the Stock Exchange stating that the Listing Committee has decided to reject the Company’s request for an extension of the resumption deadline (the “**Request**”) and cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Decision**”).

On 28 October 2024, the Company submitted a written request to the Stock Exchange for the Decision and the rejection of the Request to be referred to the Listing Review Committee (“**LRC**”) for the LRC Review pursuant to Chapter 2B of the Listing Rules. After the submission of the application for the Decision be referred to the LRC, the Company is informed by the LRC that the LRC Review hearing is scheduled on 11 December 2024.

Proposed Restructuring of the Group

On 9 August 2024, the Company and the Liquidators have entered into the Exclusivity Agreement with the Investor in relation to the Proposed Restructuring.

Subject to further negotiation and the entering into of the formal restructuring agreement, the Proposed Restructuring is expected to involve, among others, (i) capital reorganization of the Company, (ii) the Subscription of the Share(s); and (iii) a creditors’ scheme of arrangement.

Pursuant to the Exclusivity Agreement, the Investor has paid the Earnest Money in the amount of HK\$6.5 million, and the Investor has been granted the Exclusivity Period. On completion of the Subscription, the Company shall set off the amount of the Earnest Money against payment of the subscription money payable by the Investor. On 24 October 2024, a supplemental agreement of the Exclusivity Agreement has been entered to extend the Exclusivity Period until 24 December 2024.

Upon the signing of the Exclusivity Agreement (as supplemented), each party shall in good faith using their reasonable endeavours to negotiate and execute the Restructuring Agreement before the expiration of the Exclusivity Period.

Although the Exclusivity Agreement (as supplemented) is legally binding, the terms of the Proposed Restructuring are subject to further negotiations and the execution of the Restructuring Agreement, and the Exclusivity Agreement (as supplemented) does not constitute any binding obligation or commitment on the parties to the Exclusivity Agreement (as supplemented) to enter into any transaction or be bound by such terms and conditions in relation to the Proposed Restructuring.

JOINT AND SEVERAL LIQUIDATORS' REPORT

The Liquidators present their report together with the condensed consolidated financial statements of the Group for the six months ended 30 June 2024 based on the books and records available to them. It is the responsibility of the directors of the Company to prepare the financial statements of the Company. Since their appointment, the Liquidators have written to the directors to enquire about the affairs of the Company, however, no favourable response was received from them to date. Given the failure of the directors in discharging their responsibilities, the Liquidators took the necessary steps to facilitate the preparation of these financial statements based on the information available to them.

Capitalised terms used in this report shall have the same meaning attributed to them as in the Interim Report to which this is attached.

SUSPENSION OF TRADING OF THE COMPANY SHARES, WINDING-UP PETITION, APPOINTMENT OF THE JOINT AND SEVERAL LIQUIDATORS AND GROUP RESTRUCTURING

Details of the Group's suspension of trading of the Company shares, winding-up petition, appointment of the joint and several liquidators and group restructuring are set out in note 1 to the condensed consolidated financial statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company with certain subsidiaries principally engage in the sales of health and wellness products in Greater China including Hong Kong and Macau and Singapore.

REVENUE AND SEGMENTED INFORMATION

Details of revenue and segmented information are set out in note 3 to the condensed consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the six months ended 30 June 2024 and the state of the affairs of the Group at that date are set out in the condensed consolidated financial statements on pages 5 to 30. No dividend was declared during the six months ended 30 June 2024 (2023: Nil).

PLEDGE ON ASSETS

As at 30 June 2024, no Group's assets were pledged to banks as securities to secure the banking facilities granted to the Group.

SHARE CAPITAL

Details of the Company's share capital are set out in note 17 to the condensed consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2024, no reserves are available for distribution to shareholders of the Company.

OTHER BORROWINGS

Details of the Group's bank and other borrowings are set out in note 15 to the condensed consolidated financial statements. Bank and other borrowings repayable within one year or on demand are classified as current liabilities in the consolidated financial statements.



JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

EMPLOYEES AND REMUNERATION POLICY

The number of employees of the Group as at 30 June 2024 was approximately 134. The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonus, mandatory provident funds, state-managed retirement benefits scheme and share options under the share option scheme of the Company. The Group determined the remuneration packages of all employees based on factors including individual qualifications, contributions to the Group, performance and years of experience of the respective staff.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this Interim Report, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and chief executive officer of the Company in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), were as follows:

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

(i) Long position in shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interest	Number of shares held (a)	Number of underlying shares in respect of share options held (b)	Total number of shares and underlying shares held (a) + (b)	Approximate percentage of shareholding in the Company (note 10)
Mr. Zhong (note 2)	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Mr. Yip Chee Lai, Charlie (note 3)	Beneficial owner	6,046,000(L)	3,492,000(L)	9,538,000(L)	2.18%
	Interests of parties to an agreement to acquire interest of the Company	17,984,000(L)	–	17,984,000(L)	4.12%
	Total	24,030,000(L)	3,492,000(L)	27,522,000(L)	6.30%
Mr. Zhong Yiming ("Mr. Zhong YM") (note 4)	Beneficial owner	–	3,492,000(L)	3,492,000(L)	0.79%
Mr. Sun Yifei ("Mr. Sun") (note 5)	Beneficial owner	–	3,492,000(L)	3,492,000(L)	0.79%
Mr. Wang Xingyi ("Mr. Wang") (note 6)	Beneficial owner	–	3,492,000(L)	3,492,000(L)	0.79%
Mr. Li Qi ("Mr. Li") (note 7)	Beneficial owner	–	200,000(L)	200,000(L)	0.04%
Mr. Wong Kai Hing ("Mr. Wong") (note 8)	Beneficial owner	–	200,000(L)	200,000(L)	0.04%
Mr. Cheng Tsz Lok ("Mr. Cheng") (note 9)	Beneficial owner	–	200,000(L)	200,000(L)	0.04%

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

notes:

- (1) The letter "L" denotes the Director's long position in the shares or underlying shares.
- (2) These shares are held directly by Tempus Holdings (Hong Kong) Limited ("**Tempus Hong Kong**"), which is wholly-owned by Tempus Value Chain Limited ("**Tempus Value Chain**"). Tempus Value Chain is wholly-owned by Tempus Logistics Group Holding Ltd. ("**Tempus Logistics**"), which is in turn owned as to 65% by the Tempus Group and 35% by Shenzhen Pingfeng Jewellery Ltd. ("**Pingfeng Jewellery**"), respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong and 0.66% by Ms. Duan Naiqi, respectively. As at 31 December 2021, Tempus Hong Kong held 201,534,092 shares, representing approximately 46.16% of the issued shares of the Company.
- (3) Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Seng, Mr. Yip Chee Way, David and Mr. Yep Gee Kuarn (the "**Minority Shareholders**") have been persons acting in concert since 1 April 2008 pursuant to a confirmatory agreement dated 1 February 2011 entered into by and among them. Accordingly, each of the Minority Shareholders is deemed to be interested in the shares in which the Minority Shareholders are interested pursuant to the SFO. Mr. Yip Chee Lai, Charlie's long position in the underlying shares comprises an aggregate of 5,492,000 options granted to him by the Company on 16 April 2018 and 23 November 2021 under the 2011 Share Option Scheme. Out of these options, 2,000,000 options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022; and 3,492,000 options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (4) Mr. Zhong YM's long position in the underlying shares comprises an aggregate of 3,492,000 options granted to him by the Company on 23 November 2021 under the 2011 Share Option Scheme. These options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (5) Mr. Sun's long position in the underlying shares comprises an aggregate of 5,492,000 options granted to him by the Company on 16 April 2018 and 23 November 2021 under the 2011 Share Option Scheme. Out of these options, 2,000,000 options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022; and 3,492,000 options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (6) Mr. Wang's long position in the underlying shares comprises an aggregate of 3,492,000 options granted to him by the Company on 23 November 2021 under the 2011 Share Option Scheme. These options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (7) Mr. Li's long position in the underlying shares comprises an aggregate of 400,000 options granted to him by the Company on 16 April 2018 and 23 November 2021 under the 2011 Share Option Scheme. Out of these options, 200,000 options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022; and 200,000 options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (8) Mr. Wong's long position in the underlying shares comprises an aggregate of 200,000 options granted to him by the Company on 23 November 2021 under the 2011 Share Option Scheme. These options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (9) Mr. Cheng's long position in the underlying shares comprises an aggregate of 200,000 options granted to him by the Company on 23 November 2021 under the 2011 Share Option Scheme. These options are exercisable at the exercise price of HK\$0.238 per share during the period from 23 November 2021 to 22 November 2026, subject to the vesting schedule.
- (10) The approximate percentage of shareholding is calculated based on a total of 436,576,000 issued shares of the Company as at 30 June 2024.

* For identification purposes only

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

(ii) Long position in shares of the Company's associated corporation

Name of Director	Name of associated corporation	Number and class of securities in associated corporation interested	Approximate percentage of shareholding in associated corporation
Mr. Zhong	Tempus Hong Kong	10,000 ordinary shares (L)	100%

notes:

- (1) The letter "L" denotes the person's long position in the shares or underlying shares of the associated corporation.
- (2) Tempus Hong Kong is wholly-owned by Tempus Value Chain, which is wholly-owned by Tempus Logistics. Tempus Logistics is owned as to 65% by Tempus Group and 35% by Pingfeng Jewellery, respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong and 0.66% by Ms. Duan Naiqi, respectively. By virtue of the SFO, Mr. Zhong is deemed to be interested in the 10,000 shares in Tempus Hong Kong.

Saved as disclosed above and disclosed under the paragraph headed "Share Option Scheme" in this report, as at 30 June 2024, to the best knowledge of the Liquidators, none of the Directors and chief executive officer of the Company had or was deemed to have interests or short positions in the shares or underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to (i) notify the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, (ii) or which would be required, pursuant to Section 352 of the SFO, to enter in the register referred to therein, or (iii) which were required to notify the Company and the Stock Exchange pursuant to the Model Code.

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as is known to the Liquidators, the following persons (other than (a) Director(s) or chief executive officer of the Company) had interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Name of Shareholder	Capacity/ Nature of interest	Number of shares held (a)	Number of underlying shares in respect of equity derivatives held (b)	Total number of shares and underlying shares held (a) + (b)	Approximate percentage of shareholding in the Company <i>(note 6)</i>
Tempus Hong Kong <i>(note 2)</i>	Beneficial owner	201,534,092(L)	–	201,534,092(L)	46.16%
Tempus Value Chain <i>(note 2)</i>	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Tempus Logistics <i>(note 2)</i>	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Tempus Group <i>(note 2)</i>	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Pingfeng Jewellery <i>(note 2)</i>	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Ms. Duan Naiqi <i>(note 2)</i>	Interest in a controlled corporation	201,534,092(L)	–	201,534,092(L)	46.16%
Mr. Yip Chee Seng <i>(note 3)</i>	Beneficial owner	5,774,000(L)	–	5,774,000(L)	1.32%
	Interests of parties to an agreement to acquire interests of the Company	18,256,000(L)	3,492,000(L)	21,748,000(L)	4.98%
	Total	24,030,000(L)	3,492,000(L)	27,522,000(L)	6.30%
Mr. Yep Gee Kuarn <i>(note 3)</i>	Beneficial owner	6,114,000(L)	–	6,114,000(L)	1.40%
	Interests of parties to an agreement to acquire interests of the Company	17,916,000(L)	3,492,000(L)	21,408,000(L)	4.90%
	Total	24,030,000(L)	3,492,000(L)	27,522,000(L)	6.30%

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

Name of Shareholder	Capacity/ Nature of interest	Number of shares held (a)	Number of underlying shares in respect of equity derivatives held (b)	Total number of shares and underlying shares held (a) + (b)	Approximate percentage of shareholding in the Company (note 6)
Mr. Yip Chee Way, David (note 3)	Beneficial owner	6,096,000(L)	–	6,096,000(L)	1.40%
	Interests of parties to an agreement to acquire interests of the Company	17,934,000(L)	3,492,000(L)	21,426,000(L)	4.90%
	Total	24,030,000(L)	3,492,000(L)	27,522,000(L)	6.30%
China Construction Bank Corporation (note 4)	Interest in a controlled corporation	87,275,200(L)	–	–	19.99%
Central Huijin Investment Ltd. (note 4)	Interest in a controlled corporation	87,275,200(L)	–	–	19.99%

notes:

- (1) The letter "L" denotes the person's long position in the shares or underlying shares.
- (2) These shares are held directly by Tempus Hong Kong, which is wholly owned by Tempus Value Chain. Tempus Value Chain is wholly-owned by Tempus Logistics, which is in turn owned as to 65% by Tempus Group and 35% by Pingfeng Jewellery, respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong and 0.66% by Ms. Duan Naiqi, respectively. Therefore, pursuant to Part XV of the SFO, each of Mr. Zhong, Ms. Duan Naiqi, Pingfeng Jewellery, Tempus Group, Tempus Logistics and Tempus Value Chain is deemed to be interested in the shares held by Tempus Hong Kong.
- (3) The Minority Shareholders have been the persons acting in concert since 1 April 2008 pursuant to a confirmatory agreement dated 1 February 2011 entered into by and among them. Accordingly, each of the Minority Shareholders is deemed to be interested in the shares in which the Minority Shareholders are interested pursuant to section 318 of the SFO.
- (4) On 28 December 2021, the Company entered into the Subscription Agreement with the CBs Holder, pursuant to which the CBs Holder has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, 87,315,200 Subscription Shares at the subscription price of HK\$0.19941 per Subscription Share. Therefore, these shares are interested by the Petitioner, which is wholly-owned by CCBI Investment Limited ("CCBI Investment"). CCBI Investment is wholly-owned by CCB International (Holdings) Limited, which is in turn wholly-owned by CCB Financial Holdings Limited ("CCB Financial"). CCB Financial is wholly-owned by CCB International Group Holdings Limited ("CCB International Group"). CCB International Group is wholly-owned by China Construction Bank Corporation, which is in turn owned as to 57.11% by Central Huijin Investment Ltd. These shares are issued and allotted upon completion of subscription of shares on 4 February 2022.
- (5) The approximate percentage of shareholding is calculated based on a total of 436,576,000 issued shares as at 30 June 2024.

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

Save as disclosed above, as at 30 June 2024, the Liquidators were not aware of any persons, other than a Director or a chief executive of the Company, who had or were deemed or taken to have interests or short positions in shares or underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the registered kept by the Company under the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted the 2011 Share Option Scheme on 25 November 2011 which was expired on 25 November 2021. In light of the expiration of the 10 years term of the 2011 Share Option Scheme, on 31 January 2022, the Company has adopted the New Scheme for the purpose of enabling the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group. For details, please refer to the Company's Circular dated 14 January 2022 and the Company announcement dated 28 December 2021 and 31 January 2022.

On 29 January 2014, 31 August 2015, 26 January 2017, 16 April 2018 and 23 November 2021, the Group granted 3,180,000 share options (Lot 1), 5,400,000 share options (Lot 2), 23,420,000 share options (Lot 3), 34,986,000 share options (Lot 4) and 29,688,000 share options (Lot 5), respectively, under the 2011 Share Option Scheme at the exercise price of HK\$0.62 per share, HK\$3.38 per share, HK\$1.84 per share, HK\$2.13 per share and HK\$0.238 per share, respectively, to certain Directors, senior management, selected employees and consultancies of the Group. At the annual general meeting of the Company held on 24 May 2019 (the "2019 AGM"), the shareholders of the Company passed an ordinary resolution to refresh the scheme mandate limit of the share option scheme to 10% of the shares in issue as at the date of the 2019 AGM. Therefore, the maximum number of shares which may be issued upon exercise of all share options that may be granted under the refreshed scheme mandate limit is 34,926,080 shares. For details, please refer to the Company's circular dated 24 April 2019 and the Company's announcement dated 24 May 2019. The maximum number of shares which may be issued upon exercise of all share options that may be granted under the scheme mandate limit of the New Scheme is 34,926,080 shares which is equivalent to 10% of the issued shares of the Company. As at 30 June 2024, the total number of shares available for issue under the 2011 Share Option Scheme were 28,290,000, which represented approximately 6.48% of the issued shares of the Company.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2024, the Group had total assets of HK\$67 million (31 December 2023: HK\$79 million) and total liabilities of HK\$447 million (31 December 2023: HK\$435 million). The net liabilities of the Group as at 30 June 2024 were HK\$381 million (31 December 2023: HK\$356 million). As at 30 June 2024, net current liabilities of the Group amounted to HK\$388 million (31 December 2023: HK\$357 million) with cash and bank balances of HK\$19 million (31 December 2023: HK\$27 million) and the current ratio (current assets/current liabilities) was 0.10 (31 December 2023: 0.14). The Group had convertible bonds of HK\$256 million (31 December 2023: HK\$235 million) and other borrowings of HK\$15 million (31 December 2023: HK\$15 million). Gearing ratio, calculated on the basis of the Group's borrowings divided by the equity attributable to the ordinary equity holders of the Company at 30 June 2024 was not available as the Group had deficit in its equities. The borrowings of the Group carried floating interest rates calculated by reference to the HK\$ Prime Rate or lender's costs of funds were made in HK\$ and United States ("US") dollar. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HK\$ and US dollar. As HK\$ is pegged to US dollar, the foreign exchange risk exposures are considered limited. The Group did not have any financial instruments used for hedging purpose.

As at 30 June 2024, the Group had net deficiencies in assets of HK\$381 million (31 December 2023: deficit HK\$356 million).

JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

AUDIT COMMITTEE

Following the resignation of the Company's independent non-executive director during the last financial period up to date of this report, there has been no replacement of members at the audit committee. No audit committee is therefore maintained as required by Rule 3.21 of the Listing Rules. As a result, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 have not been reviewed by the audit committee.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sale any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

As the Company has been under the control of the Liquidators and a full board of directors has not been constituted, the current directors of the Company are therefore unable to comply with the Code on Corporate Governance Practices (the "CG Code"). However, upon resumption of trading in the shares of the Company, the Company will ensure that the CG Code shall be complied with.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Given that the Company is in liquidation and the trading of the Company's shares were suspended from trading since 3 April 2023, the Company is not aware of any non-compliance with the required standards as set out in the Model Code during the six months ended 30 June 2024.

EVENTS AFTER REPORTING PERIOD

WINDING-UP OF THE COMPANY AND APPOINTMENT OF THE JOINT AND SEVERAL LIQUIDATORS

References are made to the announcements of the Company dated 20 June 2023, 28 August 2023, 16 January 2024, 19 April 2024, 13 May 2024, 20 May 2024, 26 June 2024, 15 August 2024, 5 September 2024, 13 September 2024 and 14 October 2024.

RESTRUCTURING OF THE COMPANY

References are made to the announcements of the Company dated 16 January 2024, 19 April 2024, 13 May 2024, 20 May 2024, 26 June 2024, 15 August 2024, 5 September 2024, 13 September 2024, 14 October 2024 and 28 October 2024.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the Deadline expired. The Stock Exchange advised that if the Company fails to remedy the issues causing its trading suspension, fulfil the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate. The Company is taking appropriate steps with a view to fully comply with the Listing Rules to the Stock Exchange's satisfaction in order to have trading in the Company's shares resumed.



JOINT AND SEVERAL LIQUIDATORS' REPORT (continued)

On 18 October 2024, the Company received the Letter from the Stock Exchange stating that the Listing Committee has decided to reject the Request and uphold the Decision.

On 28 October 2024, the Company submitted a written request to the Stock Exchange for the Decision and the rejection of the Request to be referred to the LRC for the LRC Review pursuant to Chapter 2B of the Listing Rules. After the submission of the application for the Decision be referred to the LRC, the Company was informed by the LRC that the LRC Review hearing has been scheduled for 11 December 2024.

Proposed Restructuring of the Group

On 9 August 2024, the Company and the Liquidators have entered into the Exclusivity Agreement with the Investor in relation to the Proposed Restructuring of the Group. Subject to further negotiation and the entering into of the Restructuring Agreement, the Proposed Restructuring is expected to involve, among others, (i) capital reorganization of the Company, (ii) the Subscription of the Share(s); and (iii) a creditors' scheme of arrangement.

Pursuant to the Exclusivity Agreement, the Investor has paid a non-refundable Earnest Money in the amount of HK\$6.5 million, and the Investor has been granted the Exclusivity Period in relation to the Proposed Restructuring. On completion of the Subscription, the Company shall set off the amount of the Earnest Money against payment of the subscription money payable by the Investor. On 24 October 2024, a supplemental agreement of the Exclusivity Agreement was signed to extend the Exclusivity Period until 24 December 2024.

Upon the signing of the Exclusivity Agreement (as supplemented), each party shall in good faith using their reasonable endeavours to negotiate and execute the Restructuring Agreement before the expiration of the Exclusivity Period.

Although the Exclusivity Agreement (as supplemented) is legally binding, the terms of the Proposed Restructuring are subject to further negotiations and the execution of the Restructuring Agreement. The Exclusivity Agreement (as supplemented) does not constitute any binding obligation or commitment on the parties to the Exclusivity Agreement (as supplemented) to enter into any transaction or be bound by such terms and conditions in relation to the Proposed Restructuring.

CONTINGENT LIABILITIES

Saved as disclosed elsewhere in this report, the Group is not aware of other material contingent liabilities as at 30 June 2024.

For and on behalf of

Tempus Holdings Limited

(In Liquidation)

Wing Sze Tiffany Wong

Joint and Several Liquidator

(acting as agent without personal liabilities)

Hong Kong, 19 November 2024