LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 255)

Website: http://www.irasia.com/listco/hk/lkm

FINAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

RESULTS

The directors of Lung Kee (Bermuda) Holdings Limited (the "Company") (the "Directors") have pleasure in submitting the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2023, together with comparative figures for the year ended 31st December, 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2023

	Notes	2023 *HK$'000*	2022 *HK$'000*
Revenue	*2*	**1,449,340**	1,601,433
Other income, gains and losses	*3*	**25,825**	11,660
(Decrease) increase in fair value of investment properties		**(8,500)**	6,500
Impairment losses (recognised) reversed under expected credit loss model, net		**(1,037)**	5,437
Changes in inventories of finished goods and work in progress		**(7,823)**	19,116
Raw materials and consumables used		**(627,291)**	(657,603)
Employee benefits expenses		**(411,454)**	(436,242)
Depreciation of property, plant and equipment		**(163,263)**	(152,796)
Depreciation of right-of-use assets		**(5,816)**	(5,909)
Other expenses		**(362,189)**	(369,563)
Interest expense on lease liabilities		**(406)**	(363)
(Loss) profit before taxation		**(112,614)**	21,670
Income tax credit (expense)	*4*	**40,183**	(5,856)
(Loss) profit for the year		**(72,431)**	15,814

	Note	**2023**	2022
		HK$'000	*HK$'000*
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of foreign operations		**(44,354)**	(136,269)
Reclassification of exchange difference upon deregistration of a subsidiary		**(1,672)**	–
Other comprehensive expense for the year		**(46,026)**	(136,269)
Total comprehensive expense for the year		**(118,457)**	(120,455)
		HK cents	HK cents
(Loss) earnings per share	*6*		
- Basic		**(11.47)**	2.50
- Diluted		**(11.47)**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2023

	Notes	At 31st December, 2023 HK$'000	At 31st December, 2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**166,500**	175,000
Property, plant and equipment		**655,982**	667,715
Right-of use assets		**67,055**	73,603
Deposits paid for acquisition of property, plant and equipment		**23,580**	78,583
Deferred tax assets		**43,422**	12,508
		956,539	1,007,409
Current assets			
Inventories	*7*	**530,511**	606,924
Trade, bills and other receivables	*8*	**177,177**	150,501
Bank balances and cash		**428,758**	536,643
		1,136,446	1,294,068
Current liabilities			
Trade, bills and other payables	*9*	**128,073**	135,808
Contract liabilities		**26,931**	21,765
Lease liabilities		**3,307**	3,574
Taxation payable		**34,684**	36,264
Dividend payable		**310**	295
		193,305	197,706
Net current assets		**943,141**	1,096,362
Total assets less current liabilities		**1,899,680**	2,103,771

	Note	**At 31st December, 2023**	At 31st December, 2022
		HK$'000	*HK$'000*
Non-current liabilities			
Deferred tax liabilities		**11,109**	17,903
Lease liabilities		**3,258**	5,986
Other payables	*9*	**86,551**	93,301
		100,918	117,190
Net assets		**1,798,762**	1,986,581
CAPITAL AND RESERVES			
Share capital		**63,168**	63,168
Reserves		**1,735,594**	1,923,413
Total equity		**1,798,762**	1,986,581

Notes:

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1st January, 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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.1 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.

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 accounting policies set out in note 3 to the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1st January, 2024.
3 Effective for annual periods beginning on or after 1st January, 2025.

The directors of the Company anticipate that the application of the above amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and marketing of mould bases and related products. Revenue represents the invoiced value of goods sold to external customers during the year, after allowances for returns and trade discounts. The Group recognised revenue at a point in time.

Revenue from manufacturing and marketing of mould bases and related products

The Group manufactures and sells mould bases and related products directly to the customer, revenue is recognised when control of the goods has been transferred to the customer, being at the point the goods are delivered to the customer. Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The Group allows credit periods ranging from 30 to 90 days to its trade customers.

The performance obligation of all contracts has an original expected duration of one year or less.

The Group only has one operating segment, based on information reported to the chief operating decision maker (i.e. the Company's executive directors) for the purposes of resources allocation and performance assessment, which is the aggregated results of the Group, including all income, expenses and tax charges. As a result, there is only one reportable segment for the Group. For information regarding this segment, reference can be made to the consolidated financial statements as a whole. No other discrete financial information is provided. Accordingly, only entity-wide disclosures and geographic information are presented.

The segment revenue and segment result of the Group represents revenue and profit after taxation set out in the consolidated statement of profit or loss and other comprehensive income respectively.

Entity-wide disclosures

As at 31st December, 2023, substantially all of the Group's non-current assets are located in the places of domicile of the relevant group entities, i.e. the People's Republic of China (the "PRC").

The following is an analysis of the Group's revenue based on delivery location of the customers:

	2023	2022
	HK$'000	*HK$'000*
The PRC	**1,258,229**	1,390,997
Others	**191,111**	210,436
	1,449,340	1,601,433

The Group has a very wide customer base covering Asia, Europe and America. No single customer contributed more than 10% of the Group's revenue for each of the years ended 31st December, 2023 and 2022.

3. OTHER INCOME, GAINS AND LOSSES

	2023	2022
	HK$'000	*HK$'000*
Other income:		
Interest income	**8,370**	12,300
Rental income, net of direct outgoings of HK$599,000 (2022: HK$526,000)	**5,645**	5,524
Government grants		
- Covid-19-related subsidies (Note i)	—	3,188
- Others (Note ii)	**4,429**	352
Sundry income	**2,402**	1,840
	20,846	23,204
Other gains and losses:		
Gain on disposal of property, plant and equipment	**6,164**	9,822
Gain on deregistration of a subsidiary	**1,672**	—
Net foreign exchange loss	**(2,857)**	(21,366)
	4,979	(11,544)
	25,825	11,660

Notes:

i) During the year ended 31st December, 2022, the Group recognised government grants of HK$3,188,000 (2023: Nil) in respect of Covid-19-related subsidies for support of employment.

ii) During the current year, the Group recognised government grants of HK$4,429,000 for support of certain sizable manufacturing enterprise in the PRC. The government grants for the year ended 31st December, 2022 amounting to HK$352,000 represented the awards received by a subsidiary of the Group in the PRC for the advancement of production facilities and technology and there was no unfulfilled condition attached to such awards.

4. INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
The (credit) charge comprises:		
Hong Kong Profits Tax		
- current year	**233**	676
- overprovision in prior years	**(160)**	(16)
	73	660
Taxation in jurisdictions outside Hong Kong		
- current year	**3,545**	6,908
- overprovision in prior years	**(5,970)**	—
- PRC withholding tax	—	5,761
	(2,425)	12,669
Deferred taxation		
- Credit for the year	**(37,831)**	(7,473)
	(40,183)	5,856

Under the two-tiered profits tax rates regime of 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 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Dividend distribution out of the retained profits of foreign-invested enterprises in the PRC earned after 1st January, 2008 is subject to withholding income tax at a tax rate of 10% unless reduced by treaty. Under the tax treaty between Hong Kong and the Mainland China, the withholding income tax rate applicable to the Group is 5%.

Taxation arising in jurisdictions outside Hong Kong and the PRC is calculated based on the applicable rates in those jurisdictions.

5. DIVIDENDS

	2023	2022
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2023 Interim – HK5 cents (2022: 2022 interim – HK6 cents) per share	**31,584**	37,901
2022 Final – HK6 cents (2022: 2021 final – HK20 cents) per share	**37,901**	126,335
	69,485	164,236

The board of directors have determined that a final dividend of HK5 cents (2022: HK6 cents) per share amounting to HK$31,584,000 (2022: HK$37,901,000) should be paid to the shareholders of the Company whose names appear in the register of members on 5th June, 2024.

6. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
(Loss) earnings:		
(Loss) profit for the year attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share	**(72,431)**	15,814

Number of shares:

	2023	2022
Number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**631,677,303**	631,677,303

The computation of diluted loss per share for 31st December, 2023 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the shares for the relevant period.

No diluted earnings per share was presented for the year ended 31st December, 2022 as there was no potential ordinary shares outstanding during that year or at the end of that reporting period.

7. INVENTORIES

	2023	2022
	HK$'000	*HK$'000*
Raw materials	**445,471**	514,061
Work in progress	**78,368**	81,284
Finished goods	**6,672**	11,579
	530,511	606,924

The cost of inventories recognised as an expense by the Group during the year amounted to HK$1,336,058,000 (2022: HK$1,346,819,000).

8. TRADE, BILLS AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**94,977**	91,702
Bills receivables	**10,238**	13,241
Less: allowance for credit losses	**(9,590)**	(8,921)
	95,625	96,022
Other receivables	**2,337**	3,110
Prepayments for materials	**70,741**	46,858
Deposits and other prepayments	**8,474**	4,511
Total trade, bills and other receivables	**177,177**	150,501

In general, the Group allows a credit period ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables presented based on the invoice dates at the end of the reporting year.

	2023	2022
	HK$'000	*HK$'000*
0 to 60 days	**83,882**	86,508
61 to 90 days	**12,410**	12,187
Over 90 days	**8,923**	6,248
	105,215	104,943

9. TRADE, BILLS AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**35,820**	30,535
Bills payables	—	847
VAT payables	**16,391**	11,035
Provision of employee benefits	**94,812**	102,847
Payables for salaries and bonuses	**29,507**	36,031
Deposits and accruals	**24,447**	24,742
Other payables	**13,647**	23,072
Total	**214,624**	229,109
Less: Amount due within one year shown under current liabilities	**(128,073)**	(135,808)
Amount due after one year	**86,551**	93,301

The following is an aged analysis of trade and bills payables presented based on the invoice dates at the end of the reporting year.

	2023	2022
	HK$'000	*HK$'000*
0 to 60 days	**30,613**	23,494
61 to 90 days	**3,242**	4,334
Over 90 days	**1,965**	3,554
	35,820	31,382

In general, the credit period on the purchases of goods ranges from 30 days to 150 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31st December, 2023, the Group continued to focus on the manufacturing and marketing of mould bases and related products.

The Group's revenue for the year ended 31st December, 2023 was HK$1,449,340,000 (2022: HK$1,601,433,000). Loss attributable to owners of the Company for the year ended 31st December, 2023 was HK$72,431,000 (2022: profit of HK$15,814,000). The basic loss per share for the year ended 31st December, 2023 was HK11.47 cents (2022: basic earnings per share was HK2.50 cents).

During the reviewed period, despite the retreat of the Coronavirus Disease 2019 ("COVID-19") pandemic which lasted for over three years, consumer confidence remained weak. In addition, various unfavorable factors such as the ongoing trade dispute between China and United States, geopolitical tensions in certain regions, the continuous interest rate hikes implemented by major economies such as the United States to combat inflation, all led to a slowdown in the global economy recovery and a more difficult business operating environment. As a consequence of the sluggish global economic environment, the overall market order volume decreased significantly. In order to secure orders, the Group inevitably had to lower its sales prices, resulting in a sustained low level of sales revenue. Coupled with the relatively fixed operation costs, the Group's performance shifted from profit to loss during the reviewed year. Therefore, the Group issued a profit warning to shareholders and potential investors on 5th January, 2024 pursuant to the requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The war between Russia and Ukraine persisted for more than two years without cease. Geopolitical instability increased global economic risks, resulted in a persistent high inflation rate. In response, major economies in Europe and the United States increased interest rate to curb inflation, further impeding the pace of global economic recovery. With the economic slowdown in European countries and the United States as well as the ongoing disputes between China and the United States, China's export business to Europe and the United States was totally suppressed.

Turning to the domestic market in China, business activities resumed as the pandemic subsided. However, owing to the sluggish external economy and the change of consumption patterns after the pandemic, the market prevailingly adopted a wait-and-see approach, restoration of consumption and investment confidence was still necessary. Furthermore, apart from the demand of new energy vehicles, the demand for consumer goods such as home appliances and household furniture products remained weak as impacted by the weak real estate market. Consequently, the recovery pace of China's domestic market fell short of expectation.

The development of overall market in China was hindered, leading to a substantial decrease in aggregate order volume. Market competition intensified as manufacturers within the same industry lowered its prices to secure orders. As a result, the Group also experienced a significant decline in revenue due to the reduction of sales prices. Despite the price fluctuations of mould steel materials remained moderate, the overall fixed operation costs were unable to notably drop correspondingly, the Group therefore incurred a loss during the period under review.

FINANCIAL REVIEW

The Group's revenue for the year ended 31st December, 2023 decreased by 9.5% from previous year. During the year under review, the relevant costs of raw materials and consumables used (including the changes in inventories of finished goods and work in progress) for generating the revenue decreased only by 0.5% so that the raw materials and consumables used as percentage of revenue increased to 43.8% (2022: 39.9%). The increase of the cost ratio for raw materials was mainly due to the reduction of selling prices in the mould market. The employee benefit expenses and other expenses decreased by 5.7% and 2.0% respectively while the depreciation of property, plant and equipment increased by 6.9% which was caused by the increased investment in automated equipment in the past few years.

During the year under review, the change in fair value of investment properties decreased by HK$15,000,000 compared with the same period of last year. Other income increased by HK$14,165,000 mainly due to the decrease of the net foreign exchange loss amounting to HK$18,509,000. The impairment losses recognised under expected credit loss model, net for the year ended 31st December, 2023 was HK$1,037,000 (2022: impairment losses reversed under expected credit loss model, net of HK$5,437,000). The income tax credit for the year ended 31st December, 2023 was HK$40,183,000 (2022: income tax expense of HK$5,856,000). The income tax credit for the year ended 31st December, 2023 included the income tax of HK$5,970,000 overprovided in prior years.

As a result of the foregoing, the Group recorded a loss of HK$72,431,000 for the year ended 31st December, 2023 (2022: profit of HK$15,814,000).

Liquidity and Capital Resources

The total equity of the Group as at 31st December, 2023 was HK$1,798,762,000 (as at 31st December, 2022: HK$1,986,581,000). As at 31st December, 2023, the Group had bank balances and cash of HK$428,758,000 (as at 31st December, 2022: HK$536,643,000) and did not have any borrowings (2022: Nil).

The bank balances and cash were placed in short term deposits with major banks in Hong Kong and the PRC.

The Group had sufficient cash to meet its operations and capital commitments and the COVID-19 pandemic did not affect the financial position of the Group.

Employees and Remuneration Policies

As at 31st December, 2023, the Group employed a total of approximately 2,900 employees. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on a performance related basis. Share options may also be granted to employees with reference to the individual's performance.

PROSPECTS

Persistent geopolitical conflicts along with inflation risks and high interest rates still inflict a remarkable blow to the confidence of various industries and consumers, making it difficult for the global economy to recover in a short period. As restricted by the external environment, the global business outlook becomes more complex, unpredictable and full of uncertainties. In light of this, the Group is committed to keeping abreast with time, acutely assessing market demand, continuously improving management practices and developing high-quality production technology to cope with various future challenges effectively.

Due to the tense trade relations between China and the United States as well as the economic slowdown in European countries, export orders to Europe and the United States are expected to shrink significantly, posing severe threat to those export-oriented customers in China with main business heavily reliant on European countries and the United States. For domestic market in China, following the introduction of Chinese government’s macro-economic stimulus measures such as encouraging and promoting the trade-in of consumer goods, fostering bulk consumption in the areas of new energy vehicles, electronics and home appliances, it is anticipated to gradually boost public confidence and consumption desire, which in turn can consolidate the domestic market development and drive steady economic growth. The Group foresees that the automobile business will progress its new and old business simultaneously that will accelerate the business development of environmentally friendly new energy vehicles and traditional fuel vehicles. At the same time, the demand for consumer goods such as high-tech electronic technology products and intelligent home appliances will also rebound, resulting in an increase in market orders. The Group will strengthen its sales team and management, further expand the Chinese domestic market as well as other overseas and Southeast Asian markets, actively seek potential business opportunities in order to mitigate the risks arising from market turbulence and generate stable income to the Group

The Group will enhance its production structure and advance towards high-quality and high-tech production. The Group will continue to promote the development of automated production lines to minimize reliance on manpower and continuously improve its technological capabilities to strive for excellence. Effort will be put to leverage advanced unmanned technologies and equipment to uplift overall processing capabilities, production speed and product quality, thereby reinforcing the Group’s competitive advantage. The Group has always adopted prudent financial management policies and possesses sufficient financial resources to support and meet the needs of future market development.

On the other hand, the Group will strive to monitor the fluctuation of raw materials and operating costs to reduce operational risks incurred by rising costs and increase the profitability of its products, so that the Group's performance can turn loss into profit and achieve stable business growth and healthy business return in the face of adversity.

Taking this opportunity, the Board of Directors would like to sincerely thank all staff for their hard work, cooperation and contribution rendered and extend heartfelt gratitude to shareholders and business partners for their continued support to the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the consolidated financial statements.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 ended 31st December, 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 22nd March, 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

FINAL DIVIDEND

The Directors have resolved to recommend to shareholders at the annual general meeting of the Company to be held on 27th May, 2024 (the "AGM") the payment of a final dividend of HK5 cents (2022: HK6 cents) per share for the year ended 31st December, 2023 to shareholders whose names appear on the Register of Members on 5th June, 2024. Subject to the approval by the shareholders at the AGM, the proposed final dividend will be despatched to shareholders on or about 18th June, 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 22nd May, 2024 to 27th May, 2024, both days inclusive, during which period no share transfer will be effected. In order to qualify for attending and voting at the AGM, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 21st May, 2024.

The register of members of the Company will also be closed from 4th June, 2024 to 5th June, 2024, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 3rd June, 2024.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or any of its subsidiaries during the year ended 31st December, 2023.

CORPORATE GOVERNANCE

During the year ended 31st December, 2023, the Company has complied with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
Siu Tit Lung
Chairman

Hong Kong, China, 22nd March, 2024

As at the date of this announcement, the executive directors of the Company are Mr. Siu Tit Lung (Chairman), Mr. Siu Yuk Lung, Mr. Wai Lung Shing, Mr. Ting Chung Ho, Mr. Siu Yuk Tung, Ivan and Mr. Siu Yu Hang, Leo; and the independent non-executive directors of the Company are Dr. Lee Tat Yee, Mr. Lee Joo Hai, Mr. Wong Hak Kun and Ms. He Lamei.