

The background features a dark blue gradient with a complex pattern of thin, wavy, concentric lines in shades of green and blue. Several large, colorful spheres with a rainbow-like gradient are scattered across the scene, adding a futuristic and dynamic feel.

**2024
INTERIM REPORT**

SVVISION / SV VISION LIMITED 華美樂樂有限公司
(Incorporated in the Cayman Islands with limited liability) STOCK CODE: 8429

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of SV Vision Limited (the "Company", and together with its subsidiaries, the "Group", "SV Vision", "we" or "our") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

2	Corporate Information
4	Unaudited Interim Results
4	Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
6	Unaudited Condensed Consolidated Statement of Financial Position
7	Unaudited Condensed Consolidated Statement of Cash Flows
8	Unaudited Condensed Consolidated Statement of Changes in Equity
9	Notes to the Unaudited Condensed Consolidated Financial Statements
19	Management Discussion and Analysis
24	Disclosure of Interests and Other Information

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Ms. Woo Chan Tak Chi Bonnie
(*Chairperson and Chief Executive Officer*)

Non-executive Director

Mr. Chow Sai Yiu Evan

Independent non-executive Directors

Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

COMPLIANCE OFFICER

Ms. Woo Chan Tak Chi Bonnie

COMPANY SECRETARY

Ms. Tsui Sum Yi

AUTHORISED REPRESENTATIVES

Ms. Woo Chan Tak Chi Bonnie
Ms. Tsui Sum Yi

AUDIT COMMITTEE

Mr. Ip Arnold Tin Chee (*Chairman*)
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

REMUNERATION COMMITTEE

Mr. Hung Alan Hing Lun (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Man Ka Ho Donald
Ms. Woo Chan Tak Chi Bonnie

NOMINATION COMMITTEE

Mr. Man Ka Ho Donald (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Ms. Woo Chan Tak Chi Bonnie
Mr. Chow Sai Yiu Evan

AUDITOR

Forvis Mazars CPA Limited
(formerly known as "Mazars CPA Limited")
Certified Public Accountants
42/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 9th Floor
Safety Godown Industrial Building
56 Ka Yip Street
Chai Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION (CONTINUED)

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

East West Bank
9300 Flair Drive, 4th Fl.
El Monte, CA 91731
The United States

STOCK CODE

8429

COMPANY WEBSITE

www.svision.io

UNAUDITED INTERIM RESULTS

The board of Directors (the "Board") of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 (the "Unaudited Condensed Consolidated Financial Statements"), together with the unaudited comparative figures for the corresponding periods in 2023 as follows:

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

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	3	61,620	23,520
Other income and gains	4	34,926	217
Outsourced project costs		(83,428)	(8,701)
Materials and consumables		(1,229)	(1,611)
Depreciation and amortisation expenses		(2,081)	(2,383)
Employee benefits expenses		(8,996)	(9,152)
Rental expenses		(937)	(1,206)
Transportation fee		(1,434)	(2,651)
Other operating expenses		(4,990)	(4,182)
Finance cost		(166)	(73)
Loss before income tax	5	(6,715)	(6,222)
Income tax expense	6	(55)	(74)
Loss for the period		(6,770)	(6,296)

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

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Loss for the period		(6,770)	(6,296)
Other comprehensive income (loss):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		93	(65)
Other comprehensive income (loss) for the period		93	(65)
Total comprehensive loss for the period		(6,677)	(6,361)
Loss for the period attributable to:			
Owners of the Company		(6,688)	(6,274)
Non-controlling interests		(82)	(22)
Loss for the period		(6,770)	(6,296)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(6,592)	(6,333)
Non-controlling interests		(85)	(28)
Total comprehensive loss for the period		(6,677)	(6,361)
Loss per share attributable to the owners of the Company	8		
Basic and diluted (HK cents)		(1.39)	(1.31)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	35,834	36,449
Right-of-use assets		4,086	691
Intangible assets		85	105
Goodwill		—	—
Designated fair value through other comprehensive income		24	24
Deposit	10	280	298
		40,309	37,567
Current assets			
Inventories		1,575	105
Contract costs		—	7,300
Trade and other receivables, deposits and prepayments	10	7,320	15,258
Cash and bank balances		13,570	20,514
		22,465	43,177
Current liabilities			
Trade and other payables and accruals	12	9,830	14,025
Contract liabilities	12	1,338	4,339
Deferred government grants		—	7,500
Amount due to a non-controlling shareholder of a subsidiary	11	39	56
Tax payable		661	625
Lease liabilities		2,642	609
		14,510	27,154
Net current assets		7,955	16,023
Total assets less current liabilities		48,264	53,590
Non-current liability			
Lease liabilities		1,497	146
Net assets		46,767	53,444
CAPITAL AND RESERVES			
Share capital	13	4,800	4,800
Reserves		44,629	51,221
Total equity attributable to owners of the Company		49,429	56,021
Non-controlling interests		(2,662)	(2,577)
Total equity		46,767	53,444

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Operating activities		
Cash used in from operations	(5,525)	(40)
Income tax paid	—	(125)
Net cash used in operating activities	(5,525)	(165)
Investing activities		
Acquisition of property, plant and equipment	(173)	(342)
Additions of intangible assets	(34)	—
Increase in time deposits with original maturity of more than three months	—	(6,265)
Other cash flows arising from investing activities	41	131
Net cash used in investing activities	(166)	(6,476)
Financing activities		
Principal elements of lease payments	(1,285)	(1,466)
Interest elements of lease payments	(76)	(73)
Net cash used in financing activities	(1,361)	(1,539)
Decrease in cash and cash equivalents	(7,052)	(8,180)
Effect of foreign exchange rate changes	108	(248)
Cash and cash equivalents at beginning of the period	20,514	16,988
Cash and cash equivalents at end of the period	13,570	8,560
Analysis of cash and cash equivalents		
Cash and bank balances	13,570	8,560
Time deposits	—	6,265
Time deposits and cash and bank balances stated in the condensed consolidated statement of financial position	13,570	14,825
Less: Time deposits with original maturity of more than three months	—	(6,265)
Cash and cash equivalents in the condensed consolidated statement of cash flows	13,570	8,560

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Equity attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2024 (audited)	4,800	53,131	11,993	(898)	193	(366)	(12,832)	56,021	(2,577)	53,444
Loss for the period	—	—	—	—	—	—	(6,688)	(6,688)	(82)	(6,770)
Other comprehensive income/(loss): Exchange differences arising on translation of foreign operations	—	—	—	96	—	—	—	96	(3)	93
Total comprehensive income/(loss) for the period	—	—	—	96	—	—	(6,688)	(6,592)	(85)	(6,677)
As at 30 June 2024 (unaudited)	4,800	53,131	11,993	(802)	193	(366)	(19,520)	49,429	(2,662)	46,767
As at 1 January 2023 (audited)	4,800	53,131	11,993	(761)	193	(366)	(4,231)	64,759	(5,099)	59,660
Loss for the period	—	—	—	—	—	—	(6,274)	(6,274)	(22)	(6,296)
Other comprehensive loss: Exchange differences arising on translation of foreign operations	—	—	—	(59)	—	—	—	(59)	(6)	(65)
Total comprehensive loss for the period	—	—	—	(59)	—	—	(6,274)	(6,333)	(28)	(6,361)
As at 30 June 2023 (unaudited)	4,800	53,131	11,993	(820)	193	(366)	(10,505)	58,426	(5,127)	53,299

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act of the Cayman Islands on 20 January 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY-1108, Cayman Islands. The shares of the Company (the "Shares") are listed on GEM of the Stock Exchange since 8 December 2017 (the "Listing Date"). The Company's principal place of business is located at Unit B, 9th Floor, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of marketing production, content media and experiential business.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2023.

The Unaudited Condensed Consolidated Financial Statements have been prepared on historical cost basis, except for financial asset designated at fair value through other comprehensive income ("FVOCI") that are measured at fair value at the end of each reporting period. The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee (the "Audit Committee").

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

3. REVENUE AND SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive director of the Company, who is the chief operating decision maker, in order to allocate resources and assess performance of the segment. During the period, the executive director of the Company regularly reviewed the consolidated financial position, revenue from provision of marketing production, content media and experiential business and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the executive director of the Company considers the Group as one single operating segment during the period that comprises of two service categories, which are (a) marketing production; and (b) content media and experiential. The following table sets forth the breakdown of the Group's revenue by service category during the period.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue recognised at a point in time:		
Marketing production	17,397	19,263
Content media and experiential	44,223	4,257
	61,620	23,520

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile. The geographical location of the non-current assets is based on the physical location of the asset, is set out below:

	At 30 June	At 31 December
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Non-current assets		
Hong Kong	4,530	1,141
The United States (the "US")	35,489	36,048
Others	266	354
	40,285	37,543

Note: Non-current assets excluded goodwill and designated FVOCI.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

Revenue by geographical location of customers, which is based on the principal place of the customers' operation, is set out below:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Hong Kong	60,945	19,870
The People's Republic of China (the "PRC")	589	3,591
Others	86	59
	61,620	23,520

Information about major customers

The Group had transactions with the following customers, which contributed more than 10% of the Group's revenue for the period:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Customer A	N/A (Note)	5,199
Customer B	8,488	8,134
Customer C	7,615	NIL
Customer D	6,796	NIL

Note: The individual customer contributed less than 10% of the total revenue of the Group for the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains for the periods is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest income	41	131
Government grant and subsidy	30,000	—
Consultancy fee income	4,822	—
Sundry income	63	86
	34,926	217

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Amortisation of intangible assets	52	54
Auditor's remuneration		
— Audit services	340	315
Cost of inventories sold	1,553	1
Depreciation of property, plant and equipment	755	910
Depreciation of right-of-use assets	1,274	1,419
Short-term lease expenses — properties	777	1,202
Variable lease payments not included in the measurement of lease liabilities	160	47
Write-off of inventories	472	—
Net exchange loss/(gain)	173	(93)
Employee benefits expenses (including directors' remuneration)		
— Salaries, allowances and benefits in kind	8,434	8,243
— Retirement benefit scheme contributions	562	909
	8,996	9,152

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

6. INCOME TAX EXPENSE

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Income tax expense comprises:		
Hong Kong Profits Tax		
— current tax for the period	55	74
Income tax expense	55	74

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax under these jurisdictions during the period (2023: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (2023: 8.25%) during the period, and profits above HK\$2,000,000 will be taxed at 16.5% (2023: 16.5%). The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% (2023: 16.5%) during the period.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% of the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000, taking into account the tax concession granted by the Hong Kong Special Administrative Region Government during the periods.

No provision for Enterprise Income Tax (the “EIT”) has been made for the subsidiary established in the PRC as the subsidiary did not have any assessable profits subject to EIT in the PRC for the six months ended 30 June 2024 and 2023.

Pursuant to 《關於進一步實施小微企業所得稅優惠政策的公告》(Caishui [2022] No. 13), a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 25% of the amount will be reduced. In addition, pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2023] No. 6) issued in 2023, for the portion of the annual taxable income less than RMB1.00 million, 25% of the amount will be reduced and the Enterprise Income Tax will be at the tax rate of 20%. (2023: Pursuant to 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1.00 million, 25% of the amount will be reduced, and the PRC EIT will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the PRC EIT will be at the tax rate of 20%. In addition, pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2021] No. 12) issued in 2021 and 《關於進一步實施小微企業所得稅優惠政策的公告》(Caishui [2022] No. 13), for the portion of annual taxable income less than RMB1.00 million and for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, the PRC EIT will be reduced by half respectively.)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

6. INCOME TAX EXPENSE (Continued)

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. As at 30 June 2024, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$1,453,000 (30 June 2023: HK\$3,153,000). Deferred tax liabilities of approximately HK\$73,000 (30 June 2023: HK\$158,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2024 (30 June 2023: Nil).

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss attributable to owners of the Company	(6,688)	(6,274)
	2024 '000	2023 '000
Number of Shares:		
Weighted average number of ordinary Shares	480,000	480,000
	HK cents	HK cents
Basic and diluted loss per Share	(1.39)	(1.31)

Diluted loss per Share were same as the basic loss per Share as there were no dilutive potential ordinary Shares in existence during the periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of approximately HK\$173,000 (30 June 2023: HK\$342,000).

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade receivables	5,278	13,026
Less: Allowances of expected credit losses ("ECLs")	(234)	(234)
Trade receivables, net	5,044	12,792
Rental and other deposits	623	797
Prepayments	907	1,394
Other receivables	1,026	573
Total trade and other receivables, deposits and prepayments	7,600	15,556
Less:		
Non-current deposits	(280)	(298)
Total current trade and other receivables, deposits and prepayments	7,320	15,258

The credit period for trade receivables granted to its customers is generally ranging from 30 to 60 days (31 December 2023: 30 to 60 days) from the date of billing for the period.

The ageing analysis of the trade receivables, net of allowance for ECLs, based on invoice date is as follows:

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Within 1 month	2,724	8,166
Over 1 month but less than 3 months	1,559	4,024
Over 3 months but less than 1 year	504	358
Over 1 year	491	478
Less: allowance for ECLs	(234)	(234)
	5,044	12,792

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

11. AMOUNT DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount due to a non-controlling shareholder of a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade payables	4,691	6,432
Accruals	3,709	2,604
Refundable deposits received	—	4,200
Other payables	1,430	789
Total trade and other payables and accruals	9,830	14,025
Contract liabilities	1,338	4,339
	11,168	18,364

The credit period granted by suppliers of the Group is generally ranging from 30 to 90 days (31 December 2023: 30 to 90 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Within 1 month	2,125	5,238
Over 1 month but less than 3 months	2,331	1,008
Over 3 months but less than 1 year	235	179
Over 1 year	—	7
	4,691	6,432

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

13. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Ordinary Shares of HK\$0.01 each		
Authorised:		
At 31 December 2023 (audited) and 30 June 2024 (unaudited)	1,000,000,000	10,000
Issued and fully paid:		
At 31 December 2023 (audited) and 30 June 2024 (unaudited)	480,000,000	4,800

14. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group has the following transactions with its related parties in the normal course of its business and mutually agreed between both parties:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term lease expense to 4L 108 Leonard LLC (Note (a))	563	564
Treasury management service expense to Gain Smart Asia Limited (Note (a))	120	120

Note:

- (a) Spouse of Ms. Woo Chan Tak Chi Bonnie (“Ms. Bonnie Chan Woo”), an executive director of the Company, and Ms. Bonnie Chan Woo, are the beneficial owners of these related companies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2024

14. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel remuneration are as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors' fee	276	228
Salaries, allowances and benefits in kind	2,226	2,524
Retirement benefit scheme contributions	36	45
	2,538	2,797

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group successfully introduced Complex Network's iconic pop culture festival ComplexCon to Hong Kong in March 2024, marking Complex's first-ever ComplexCon Asia Edition. ComplexCon brought its unique expertise in international pop and urban culture to the city's lineup of world-class events during Hong Kong Arts Month. It was highly regarded by the Hong Kong SAR Government and mentioned in the Financial Secretary's Budget as one of the key events of the year. Tens of thousands of international arts and culture enthusiasts and industry practitioners gathered to participate in this thriving cultural scene. The inaugural ComplexCon Hong Kong attracted over 30,000 attendees, with 55% of the visitors coming from mainland China, the United States, Japan, Korea, Singapore, and more. The event featured over 150 brand partners, artists, and creators, including notable collaborations such as Blackpink x Murakami, VandyThePink x Faker, Melting Sadness x VandyThePink, CLOT x Crocs, Feng Chen Wang x Converse, and WON SOJU x Casetify. Over 30 performing artists, headlined by chart-topping Hip Hop artist 21 Savage, delivered world class performances in front of thousands of fans. Additionally, 10 panel sessions featured 32 thought leaders from over 10 countries, including Hiroshi Fujiwara's debut outside of Tokyo and Showdown of the Sneakerheads with Wadism (Korea), XiaoPiHei (Malaysia), Eric Kot, and Sunny Sun (Hong Kong) alongside Brendan Dunne (US) discussed the industry's latest trends. The event achieved massive global reach across press (broadcast, print, online) and social media platforms with coverage from leading newspaper and prestigious titles including but not limited to South China Morning Post, Hollywood Reporter, Business of Fashion and WWD.

ComplexCon Hong Kong contributed significantly to the Group's content media and experiential business, resulting in a 938.8% increase in revenue to HK\$44.2 million compared to the same period last year. Despite receiving government support through grants and subsidies, the substantial costs incurred to host this world-class event led to a financial loss for the Group. Content production remains challenging due to our brand customer's budget constraints.

Although economic activities in Hong Kong have started to recover from the pandemic, economic uncertainties and changing consumer preferences have caused a shift in consumption patterns. Key client sectors, such as retail and insurance, are facing challenges. Hong Kong's retail sales recorded a decline in the first half of 2024 compared to the same period last year, with a monthly contraction trend as residents headed across the border to spend, despite the expansion of a solo traveler scheme aimed at boosting inbound tourism. In the insurance industry, changing consumer preferences have driven a shift towards more flexible and digitally enabled solutions. Insurers are investing in enhancing their digital capabilities and customer experience to better meet evolving market needs. Revenue from marketing production services for the six months ended 30 June 2024 was HK\$17.4 million, a 9.7% decrease compared to the same period last year.

The Group's overall revenue for the six months ended 30 June 2024 increased by 162% to HK\$61.6 million compared to the same period last year, largely driven by ComplexCon Hong Kong. However, the Group's loss for the same period increased by 7.5% to HK\$6.8 million due to the costs associated with ComplexCon Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Moving Forward

Our strategic priorities will include the following key areas:

Enhancing Experiential Offerings

We will continue to invest in developing innovative, immersive experiences for our customers. By enriching our experiential portfolio, we aim to create engaging and memorable interactions that resonate with evolving consumer preferences.

Expanding into Emerging Markets

Leveraging our expertise, we will strategically explore growth opportunities in emerging markets across the Asia Pacific region. This will involve thoroughly understanding local dynamics and adapting our offerings to meet the unique needs of these evolving landscapes.

Adapting to Industry Changes

As the business landscape shifts, our focus is on building young affluent communities of loyal customers and consumers of our content and experiences.

FINANCIAL REVIEW

Revenue

The Group's revenue is principally generated from the provision of marketing production, content media and experiential services which are categorised into (i) marketing production; and (ii) content media and experiential. During the six months ended 30 June 2024, the Group's revenue increased by approximately HK\$38.1 million, representing 162.0%, to approximately HK\$61.6 million (2023: HK\$23.5 million).

The following table sets forth the breakdown of the revenue by service category during the period:

	For the six months ended 30 June			
	2024		2023	
	HK\$'000	%	HK\$'000	%
Marketing production	17,397	28.2	19,263	81.9
Content media and experiential	44,223	71.8	4,257	18.1
Total	61,620	100.0	23,520	100.0

During the six months ended 30 June 2024, the revenue from marketing production services decreased by approximately 9.7% to approximately HK\$17.4 million (2023: HK\$19.3 million). The decrease in revenue from marketing production services was mainly due to decrease in projects requiring direct mailing services during the period.

During the period, the revenue from content media and experiential increased by approximately 938.8% to approximately HK\$44.2 million (2023: HK\$4.3 million) which mainly represented brand income on our original content and experiential. The significant increase in revenue of this business was mainly attributable to ComplexCon Hong Kong held in March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs and costs for content media and experiential business. During the six months ended 30 June 2024, the Group's outsourced project costs increased by approximately HK\$74.7 million, representing 858.8%, to approximately HK\$83.4 million (2023: HK\$8.7 million). The increase was mainly attributable to ComplexCon Hong Kong from the content media and experiential business.

Materials and consumables

Materials and consumables are costs on papers and other materials sourced by the Group for the marketing production. During the six months ended 30 June 2024, the Group's materials and consumables decreased by approximately HK\$0.4 million, representing 23.7%, to approximately HK\$1.2 million (2023: HK\$1.6 million). The decrease was in line with the decrease in revenue from marketing production services.

Employee benefits expenses

Employee benefits expenses primarily consist of salaries, allowances and benefits in kind and retirement benefit scheme contributions. During the six months ended 30 June 2024, the Group's employee benefits expenses decreased by approximately HK\$0.2 million, representing 1.7%, to approximately HK\$9.0 million (2023: HK\$9.2 million). The decrease was directly attributable to the decrease in the number of employees.

Rental expenses

Rental expenses primarily represent the rental expenses for short-term leases for office premises and staff quarter and the variable lease payment for the printing machines for confidential data printing services. During the six months ended 30 June 2024, the Group's rental expenses decreased by approximately HK\$0.3 million, representing 22.3%, to approximately HK\$0.9 million (2023: HK\$1.2 million). The decrease was primarily attributable to the expiry of short term lease for an office premise for the content media and experiential business.

Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products to clients; and (ii) postage incurred in respect of the direct mailing services. During the six months ended 30 June 2024, the Group's transportation fee decreased by approximately HK\$1.2 million, representing 45.9%, to approximately HK\$1.4 million (2023: HK\$2.7 million). The decrease was in line with the decrease in revenue from marketing production services.

Other operating expenses

Other operating expenses primarily consist of consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the six months ended 30 June 2024, the Group's other operating expenses increased by approximately HK\$0.8 million, representing 19.3%, to approximately HK\$5.0 million (2023: HK\$4.2 million). The increase was primarily attributable to ComplexCon Hong Kong from the content media and experiential business.

Finance cost

Finance cost primarily represents the interest on lease liabilities and interest on other borrowings. During the six months ended 30 June 2024, the Group's finance cost increased by approximately HK\$93,000, representing 127.4%, to approximately HK\$0.2 million (2023: HK\$0.1 million). The increase was mainly due to interest paid for other short-term borrowings during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the period

During the six months ended 30 June 2024, the Group recorded loss of approximately HK\$6.8 million (2023: HK\$6.3 million). The increase was mainly attributable to costs incurred from the content media and experiential business.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 30 June 2024, the Group had net current assets of approximately HK\$8.0 million (31 December 2023: HK\$16.0 million), including cash and bank balances of approximately HK\$13.6 million (31 December 2023: HK\$20.5 million) mainly denominated in Hong Kong, with approximately HK\$1.2 million (31 December 2023: HK\$2.9 million) denominated in renminbi which is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

The gearing ratio of the Group as at 30 June 2024 was approximately 8.9% (31 December 2023: 1.4%). The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in the capital structure of the Company during the six months ended 30 June 2024. The equity attributable to owners of the Company amounted to approximately HK\$49.4 million as at 30 June 2024 (31 December 2023: HK\$56.0 million).

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The Group has substantial operations in the PRC with transactions originally denominated and settled in RMB. The Group is exposed to foreign exchange risk from various currencies primarily with respect to Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against HK\$ and to mitigate the impact on exchange rate fluctuations. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the period. The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLEDGE OF ASSETS

As at 30 June 2024, the Group did not have any pledged assets (31 December 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no significant capital commitments as at 30 June 2024 (31 December 2023: Nil).

As at 30 June 2024, the Group did not have any material contingent liability (31 December 2023: Nil).

EMPLOYEE AND REMUNERATION

As at 30 June 2024, the Group had 34 (31 December 2023: 38) full-time employees (including executive Director). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then shareholders of the Company (the "Shareholders") on 16 November 2017 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2024, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

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

During the six months ended 30 June 2024 and up to the date of this report, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo	Interest in a controlled corporation	283,920,000 (L) ⁽²⁾	59.15%
	Interest held jointly with another person	34,850,000 (L) ⁽³⁾	7.26%
	Interest of spouse	5,280,000 (L) ⁽⁴⁾	1.1%
	Beneficial owner	2,625,000 (L)	0.55%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage Limited ("Explorer Vantage") was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
- Mirousky Limited ("Mirousky") holds 34,850,000 Shares. Mirousky is wholly-owned by Gain Smart Asia Limited ("Gain Smart") and Gain Smart is beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the shares held by Mirousky.
- Ms. Bonnie Chan Woo is the spouse of Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares which are interested by Mr. Darrin Woo.

(ii) Interests in associated corporation(s) of the Company

Name of Director	Name of associated corporation(s)	Capacity	Number of Share(s) held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo	Explorer Vantage ⁽²⁾	Beneficial owner	1 (L)	100%
	Papercom Limited ("Papercom") ⁽³⁾	Interest in a controlled corporation	10,000 (L)	100%

Notes:

- The letter "L" denotes the person's long position in the shares.
- Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were 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 he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company 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 recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Shares of the Company

Name	Type of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	283,920,000 (L) ⁽²⁾	59.15%
Mr. Darrin Woo	Interest of spouse	286,545,000 (L) ⁽³⁾	59.70%
	Interests held jointly with another person	34,850,000 (L) ⁽⁴⁾	7.26%
	Beneficial owner	5,280,000 (L)	1.1%
Mirousky	Beneficial owner	34,850,000 (L) ⁽⁵⁾	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) ⁽⁵⁾	7.26%
Ms. Chow Jacqueline Wai Ying	Beneficial owner	35,950,000 (L)	7.49%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.
4. Mirousky is wholly-owned by Gain Smart and Gain Smart is beneficially owned as to 50% by Mr. Darrin Woo and 50% by his spouse, Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares held by Mirousky.
5. Mirousky is wholly-owned by Gain Smart. Such 34,850,000 Shares belong to the same batch of Shares.

Save as disclosed above, as at 30 June 2024, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company 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 recorded in the register required to be kept by the Company under Section 336 of the SFO.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

SHARE OPTION SCHEME

Share Option Scheme was adopted and approved by the then Shareholders on 16 November 2017. No share option has been granted pursuant to the Share Option Scheme since its adoption and therefore the total number of Shares available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 48,000,000 Shares, representing 10% of the issued share capital of the Company. Details of the Share Option Scheme are set out in Appendix IV to the prospectus of the Company dated 27 November 2017 (the “Prospectus”).

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the six months ended 30 June 2024 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section “Share Option Scheme”, at no time during the six months ended 30 June 2024 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2024 and up to the date of this report, none of the Directors, nor the substantial Shareholders nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

The Deed of Non-Competition dated 16 November 2017 (as defined in the Prospectus) was entered into by Explorer Vantage and Ms. Bonnie Chan Woo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed “Relationship with our Controlling Shareholders — Deed of Non-competition” and the non-competition undertaking has become effective from the Listing Date.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "Model Code") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code throughout the six months ended 30 June 2024.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established the Audit Committee, a nomination committee and a remuneration committee with specific written terms of reference. During the six months ended 30 June 2024 and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules except for the deviation from code provision C.2.1 as detailed below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the CEO. In view that Ms. Bonnie Chan Woo has been managing the Group's business and overall strategic planning since August 2002, the Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group's business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Audit Committee and Review of Unaudited Condensed Consolidated Financial Statements

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald and Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management.

The Unaudited Condensed Consolidated Financial Statements have not been audited. The Audit Committee has reviewed with the management of the Group the Unaudited Condensed Consolidated Financial Statements, the interim report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the Unaudited Condensed Consolidated Financial Statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

SV Vision Limited

Woo Chan Tak Chi Bonnie

Chairperson and Chief Executive Officer

Hong Kong, 16 August 2024

As at the date of this report, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.