



米蘭站控股有限公司  
MILAN STATION HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

STOCK CODE : 1150

INTERIM  
REPORT  
2024

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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Hu Bo  
Mr. Li Zhongqi

#### Independent Non-executive Directors

Mr. Chan Chi Hung  
Mr. Tou Kin Chuen  
Mr. Choi Kam Yan, Simon

### AUDIT COMMITTEE

Mr. Tou Kin Chuen  
*(Chairman of audit committee)*  
Mr. Chan Chi Hung  
Mr. Choi Kam Yan, Simon

### REMUNERATION COMMITTEE

Mr. Tou Kin Chuen  
*(Chairman of remuneration committee)*  
Mr. Chan Chi Hung  
Mr. Hu Bo

### NOMINATION COMMITTEE

Mr. Hu Bo  
*(Chairman of nomination committee)*  
Mr. Chan Chi Hung  
Mr. Tou Kin Chuen

### AUDITOR

McMillan Woods (Hong Kong) CPA Limited  
24/F., Siu On Centre,  
188 Lockhart Road, Wanchai,  
Hong Kong

### COMPANY SECRETARY

Ms. Tam Tsz Yan

### AUTHORISED REPRESENTATIVES

Mr. Hu Bo  
Ms. Tam Tsz Yan

### REGISTERED OFFICE

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 13, 6/F, Block A  
Hong Kong Industrial Centre,  
489-491 Castle Peak Road  
Kowloon, Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A,  
Block 3, Building D,  
P.O. Box 1586, Gardenia Court  
Camana Bay,  
Grand Cayman, KY1-1100,  
Cayman Islands

## Corporate Information

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

### COMPANY'S WEBSITE

[hk.milanstation.com](http://hk.milanstation.com)

### STOCK CODE

1150

### PRINCIPAL BANKERS

#### HONG KONG

OCBC Wing Hang Bank Limited  
DBS Bank (Hong Kong) Limited  
China Construction Bank (Asia) Corporation Limited

## Condensed Consolidated Statement of Profit or Loss

### UNAUDITED INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Milan Station Holdings Limited (the “Company”) presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024 (the “Period”) together with the comparative unaudited figures for the corresponding period in 2023 and the relevant explanatory notes as set out below. The interim results for the Period are unaudited, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

		For the six months ended 30 June	
Note		2024	2023
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>	4	63,159	100,004
Cost of sales		(59,105)	(82,932)
<b>Gross profit</b>		4,054	17,072
Other income and other gains	4	3,676	1,597
Loss on fair value change of financial assets at fair value through profit or loss		(11,341)	(6,495)
Selling expenses		(10,010)	(15,530)
Administrative and other operating expenses		(7,159)	(8,212)
Loss from operations		(20,780)	(11,568)
Finance costs	5	(741)	(466)
<b>Loss before tax</b>	6	(21,521)	(12,034)
Income tax expense	7	–	–
<b>Loss for the period</b>		(21,521)	(12,034)
<b>Loss for the period attributable to:</b>			
Owners of the Company		(21,521)	(12,034)
Loss per share			
– Basic	8	HK(2.44) cents	HK(1.37) cents
– Diluted	8	HK(2.44) cents	HK(1.37) cents

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Loss for the period</b>	(21,521)	(12,034)
<b>Other comprehensive loss, net of tax:</b>		
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	316	(9)
<b>Total comprehensive loss for the period</b>	(21,205)	(12,043)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(21,205)	(12,043)

## Condensed Consolidated Statement of Financial Position

	Note	30 June 2024	31 December 2023
		(Unaudited) HK\$'000	(Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	10	1,314	2,078
Right-of-use assets		16,735	12,927
Deposits		1,635	1,689
		<b>19,684</b>	<b>16,694</b>
<b>Current assets</b>			
Inventories		37,709	47,501
Trade receivables	11	3,151	1,843
Loan receivables	12	6,319	5,762
Prepayments, deposits and other receivables		11,547	12,833
Financial assets at fair value through profit or loss		11,421	22,762
Cash and cash equivalents		9,098	10,337
Tax recoverable		93	93
		<b>79,338</b>	<b>101,131</b>
<b>Current liabilities</b>			
Trade and other payables	13	10,222	11,941
Contract liabilities		50	63
Lease liabilities		10,059	7,481
Tax payable		278	278
		<b>20,609</b>	<b>19,763</b>
<b>Net current assets</b>		<b>58,729</b>	<b>81,368</b>
<b>Total assets less current liabilities</b>		<b>78,413</b>	<b>98,062</b>
<b>Non-current liabilities</b>			
Provisions		272	272
Bond payables		7,299	6,979
Lease liabilities		7,229	5,993
		<b>14,800</b>	<b>13,244</b>
<b>NET ASSETS</b>		<b>63,613</b>	<b>84,818</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	35,231	35,231
Reserves		28,382	49,587
<b>TOTAL EQUITY</b>		<b>63,613</b>	<b>84,818</b>

## Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
	Issued capital	Share premium account	Capital reserve	Merger reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total equity
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000 (note c)	HK\$'000 (note d)	HK\$'000	HK\$'000 (note e)	HK\$'000	HK\$'000
At 1 January 2024 (audited)	35,231	265,050	10	(23,782)	30	487	6,056	(198,264)	84,818
Exchange differences arising on translation of foreign operations	-	-	-	-	-	316	-	-	316
Lapsed share option	-	-	-	-	-	-	(6,056)	6,056	-
Disposal of a subsidiary	-	-	-	-	(30)	-	-	30	-
Loss for the Period	-	-	-	-	-	-	-	(21,521)	(21,521)
Total comprehensive income for the Period	-	-	-	-	(30)	316	(6,056)	(15,435)	(21,205)
At 30 June 2024 (unaudited)	35,231	265,050	10	(23,782)	-	803	-	(213,699)	63,613

	Attributable to owners of the Company								
	Issued capital	Share premium account	Capital reserve	Merger reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total equity
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000 (note c)	HK\$'000 (note d)	HK\$'000	HK\$'000 (note e)	HK\$'000	HK\$'000
At 1 January 2023 (audited)	35,231	265,050	10	(23,782)	30	503	6,056	(170,380)	112,718
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(9)	-	-	(9)
Loss for the period	-	-	-	-	-	-	-	(12,034)	(12,034)
Total comprehensive income for the period	-	-	-	-	-	(9)	-	(12,034)	(12,043)
At 30 June 2023 (unaudited)	35,231	265,050	10	(23,782)	30	494	6,056	(182,414)	100,675

### Notes:

- (a) The share premium account of the Group includes: (i) the premium arising from the issue of new shares in prior years; (ii) the expense incurred in connection with issuance of new shares in prior years; (iii) dividends declared and paid in prior years; and (iv) amount transferred from share-based compensation reserve upon exercise of share options.
- (b) The capital reserve represents the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation on 28 April 2011 and the nominal value of the ordinary shares of a subsidiary of the Company in exchange therefor.
- (c) The merger reserve represents the excess of the consideration for acquiring subsidiaries over the nominal value of the paid-up capital of the subsidiaries acquired.
- (d) In accordance with the Company Law of the People's Republic of China (the "PRC"), the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of the statutory reserve fund reaches 50% of the subsidiaries' registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 50% of the registered capital after such usages.
- (e) The share option reserve relates to share options granted to the Directors and employees under the Company's share option scheme.



## Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	3,402	(10,766)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	(233)	(63)
<b>NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	(4,640)	2,027
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,471)	(8,802)
Cash and cash equivalents at beginning of the period	10,337	18,479
Effect of foreign exchange rates, net	232	(9)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>9,098</b>	<b>9,668</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	9,098	9,668

# Notes to Condensed Consolidated Interim Financial Statements

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 1 November 2007. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong is located at Room 13, 6/F, Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are retailing of handbags, fashion accessories and embellishments. There were no significant changes in the nature of the Group's principal activities during the Period.

## 2. BASIS OF PREPARATION

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

The Group's interim unaudited condensed consolidated financial statements should be read in conjunction with its annual audited consolidated financial statements for the year ended 31 December 2023 and have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values. The principal accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of elimination uncertainty) and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2023 except for the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are adopted for the first time for the Period.

During the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. Hong Kong Financial Reporting Standards ("HKFRSs") comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2024. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all the new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The Interim Financial Statements are presented in Hong Kong dollar ("HK\$") and all are rounded to the nearest thousand except for otherwise indicated. The Group's Interim Financial Statements have been reviewed by the Audit Committee of the Company.

## Notes to Condensed Consolidated Interim Financial Statements

### 3. OPERATING SEGMENT INFORMATION

The board of directors is the chief operating decision maker. The Group's principal activity is the retail of handbags, fashion accessories, natural aroma and skincare products. Since it is the only operating segment of the Group for the purpose of resource allocation and assessment focus on revenue analysis by products, no further analysis thereof is presented. Since the Group's revenue is principally derived from sales of goods in Hong Kong, and the Group's location of the non-current assets are principally located in Hong Kong, only entity-wide disclosure are presented accordingly.

#### Information about major customers

No customer of the Group has individually accounted for 10% or more of the Group's total revenue during the six months ended 30 June 2024 and 2023 and thus no information about major customers is presented accordingly.

### 4. REVENUE, OTHER INCOME AND OTHER GAINS

Revenue represents the net invoiced value of goods sold. An analysis of revenue, other income and other gains is as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>		
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Disaggregation of revenue from contracts with customers recognise at a point in time by major products for the year as follow:		
Sales of handbags	62,558	96,336
Sales of natural aroma, skincare products and fashion accessories	601	3,668
	<b>63,159</b>	<b>100,004</b>
<b>Other income and other gains</b>		
Other income		
Interest income	11	95
Interest income on loan receivables	611	676
Others	154	826
Other gains		
Gain on disposal of a subsidiary	2,900	–
	<b>3,676</b>	<b>1,597</b>

## Notes to Condensed Consolidated Interim Financial Statements

## 5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest expenses on bonds	320	132
Interest expenses on lease liabilities	421	334
	<b>741</b>	<b>466</b>

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>(a) Employee benefit expenses (including Directors' remuneration)</b>		
Pension scheme contributions	166	209
Salaries, wages and other benefits	4,641	6,081
	<b>4,807</b>	<b>6,290</b>
<b>(b) Other items</b>		
Cost of inventories recognised as an expense	59,105	82,932
Depreciation		
– owned assets	1,010	1,151
– right-of-use assets	4,275	5,336

## 7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong Profits Tax	–	–

No provision for Hong Kong Profits Tax is required since the Group's Hong Kong entities have no assessable profit for the Period (2023: HK\$Nil).

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% from 1 April 2008 onwards. No provision for EIT Law is required since the PRC subsidiaries of the Group have no assessable profits for the Period (2023: Nil).

## Notes to Condensed Consolidated Interim Financial Statements

### 8. LOSS PER SHARE

#### (a) Basic

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Loss</b>		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	(21,521)	(12,034)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	880,786,650	880,786,650

#### (b) Diluted

For the six months ended 30 June 2024 and 2023, no adjustment has been made to the basic loss per share presented in respect of a dilution as the impact of the share option outstanding has no dilutive effect on the basic loss per share amounts presented.

### 9. DIVIDENDS

No dividend was paid or proposed during the Period (30 June 2023: Nil).

### 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately HK\$244,000 (six months ended 30 June 2023: HK\$89,000).

During the six months ended 30 June 2024, the Group has no disposed of property, plant and equipment (six months ended 30 June 2023: Nil).

## Notes to Condensed Consolidated Interim Financial Statements

## 11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. Customers are generally granted with credit term of 0-90 days during the period.

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Trade receivables	3,588	2,280
Less: Allowance for ECLs	(437)	(437)
	<b>3,151</b>	<b>1,843</b>

An aged analysis of the trade receivables, net of allowance as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Within 1 month	2,064	1,005
1 to 2 months	522	13
2 to 3 months	–	–
4 to 6 months	–	668
7 to 12 months	565	157
	<b>3,151</b>	<b>1,843</b>

## 12. LOAN RECEIVABLES

The Group's loan receivables, which arise from money lending business in Hong Kong, are unsecured, interest-bearing at rate of 8% (2023: 8%) per annum.

An aged analysis of the loan receivables as at the end of the reporting period, based on the terms of loan agreements, is as follows:

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Loan receivables	16,473	15,916
Less: Allowance for ECLs	(10,154)	(10,154)
Within 1 year	<b>6,319</b>	<b>5,762</b>

## Notes to Condensed Consolidated Interim Financial Statements

### 13. TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Trade payables	2,444	1,452
Accrued liabilities	6,454	6,494
Other payables	1,324	1,495
Deposits received	–	2,500
	<b>10,222</b>	<b>11,941</b>

An aged analysis of the trade payables as at the end of the reporting period, based on invoice date, is as follows:

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Within 1 month	2,444	1,452

### 14. SHARE CAPITAL

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Authorised: 2,000,000,000 (31 December 2023: 2,000,000,000) ordinary shares of HK\$0.04 each	80,000	80,000
Issued and fully paid: 880,786,650 (31 December 2023: 880,786,650) ordinary shares of HK\$0.04 each	35,231	35,231

## Notes to Condensed Consolidated Interim Financial Statements

## 15. RELATED PARTY TRANSACTIONS

- (i) The Group had the material transactions with related parties as follows:

	Amount owed by the Group		Related interest expense for the six months ended 30 June	
	30 June 2024	31 December 2023	2024	2023
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Lease liabilities (note a)	2,360	3,603	77	137

*Notes:*

- (a) Milan Station (Causeway Bay) Limited ("MS (CWB)"), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, and Excel Trend Limited ("Excel Trend"), a company incorporated in Hong Kong with limited liability and indirectly beneficially wholly owned by Mr. Yiu Kwan Tat ("Mr. Yiu"), the former chairman and an executive Director, entered into a lease agreement in relation to the leasing of the premises situated at Areas E and F on the Ground Floor of Percival House, No. 83 Percival Street, Causeway Bay, Hong Kong for retail uses.
- (ii) Compensation of key management personnel of the Group during the periods are as follows:

	For the six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Short-term employee benefits	1,526	2,500
Post-employment benefits	36	70
	1,562	2,570

- (iii) Amount due from a related company

	30 June 2024	31 December 2023
		(Unaudited) HK\$'000
Other receivables WLS Limited (note)	3,244	3,244

*Note:* Mr. Yiu Kwan Tat, and Mr. Choi Wai Kei who are key management of the Group and the directors of certain subsidiaries, and also they are beneficial shareholder of WLS Limited.



## Notes to Condensed Consolidated Interim Financial Statements

### 16. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Financial assets at fair value through profit or loss:		
Listed securities	11,421	22,762
Financial assets at amortised cost:		
Trade receivables	3,151	1,843
Loan receivables	6,319	5,762
Deposits and other receivables	7,840	9,650
Cash and cash equivalents	9,098	10,337
	<b>26,408</b>	<b>27,592</b>
	<b>37,829</b>	<b>50,354</b>

#### Financial liabilities

	30 June 2024	31 December 2023
	(Unaudited) HK\$'000	(Audited) HK\$'000
Financial liabilities at amortised cost:		
Trade payables	2,444	1,452
Bond payables	7,299	6,979
Other payables	7,778	7,989
Lease liabilities	17,288	13,474
	<b>34,809</b>	<b>29,894</b>

## Notes to Condensed Consolidated Interim Financial Statements

### 17. SUBSEQUENT EVENT

On 25 June 2024, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent agreed to place, on a best endeavour basis, to not less than six independent placees for up to 176,150,000 new Shares at a price of HK\$0.08 per placing share ("Placing"). Placing have been fulfilled and the completion of the Placing took place on 16 July 2024, where a total of 176,150,000 placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.08 per placing share. The net proceeds (after all relevant expenses) from the Placing amounted to approximately HK\$13.7 million. Please refer to the announcements of the Company dated 25 June 2024, 26 June 2024 and 16 July 2024 for details.

### 18. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 29 August 2024.

# Management Discussion and Analysis

## MARKET OVERVIEW

The first year of 2024 remained a particularly challenging time for the Hong Kong economy.

The seasonally adjusted unemployment rate increased to 3% in May to July 2024. The Census and Statistics Department has published Report on Monthly Survey of Retail Sales, which shows that the value of total retail sales in June 2024, provisionally estimated at HK\$29.9 billion, decreased by 9.7% compared with the same month in 2023. In light of the above, the retail sales is start to be challenged because of the increase in unemployment rate which affect the buying behavior of the customers.

The corporations may have to be more careful in their business plans in the face of various headwinds such as the uncertainty of the development and effect of China-US relations, geopolitical tensions and the evolving monetary policy stance of major central banks also warrant attention.

## BUSINESS REVIEW

During the Period, the Group's total revenue decreased by approximately 36.8% to approximately HK\$63.2 million. The Group's revenues generated in the markets of Hong Kong. The Group's gross profit was approximately HK\$4.1 million, which was decreased by 76.0% as compared to the same period last year. The Group recorded a net loss of approximately HK\$21.5 million, which was increased by 79.2% as compared to the same period last year. The increase of net loss was mainly due to the increase in loss on fair value change of financial assets at fair value through profit or loss and the decrease in gross profit resulting from the discount sales on slow moving inventories.

### Hong Kong

During the Period, sales of the Group in Hong Kong decreased by 36.8% to approximately HK\$63.2 million. The revenue came from the 5 "Milan Station" retail stores in Hong Kong and the online sales platform directly managed by the Group and the product sales in other new sales channels.

The Group adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. In order to strengthen the Group's leading position in the luxury handbags trading industry, the Group continued to devote human resources to the management of merchandise quality, and strengthened the product certification programs with the finer division of labor to ensure that all the products were inspected by professional team. These measures helped the Group to maintain the "Milan Station" brand reputation and earn market recognition.

## Management Discussion and Analysis

During the Period, the Group remained prudent on the store network expansion strategy and adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. The Group also focus on the control on cost. The Group also tried to open new stores in more favourable places with cheaper rent. During the Period, the Group continued to devote more human resources to the management of merchandise quality, and strengthened the product certification programs with the finer division of labor to ensure that all the products were inspected by professional team. These measures helped the Group to maintain the “Milan Station” brand reputation and earn market recognition, pursuant to which it strengthened the Group’s leading position in the luxury handbags trading industry under the adverse operating environment.

As at 30 June 2024, the Group held the listed securities in Hong Kong with the fair value of HK\$11.4 million (31 December 2023: HK\$22.8 million) under financial assets at fair value through profit or loss. The Group recognised a loss on fair value change of financial assets at fair value through profit or loss of approximately HK\$11.3 million. In light of the recent volatile financial market in Hong Kong, the Group will closely monitor the performance of this business and keep adopting a prudent investment attitude with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

### FINANCIAL REVIEW

#### Revenue

During the Period, total revenue decreased to approximately HK\$63.2 million, representing a decrease of 36.8% as compared to approximately HK\$100.0 million recorded in the corresponding period last year. Handbags were the most important product category for the Group, representing over 99.1% (2023: 96.3%) of the total revenue of the Group. The revenue generated from the sales of unused products decreased from approximately HK\$76.4 million recorded in the corresponding period last year, representing 76.4% of the total revenue of the Group, to approximately HK\$47.6 million during the Period, representing 75.3% of the total revenue of the Group.

Since most of the retail shops under the brand name of “Milan Station” are located in Hong Kong, the source of revenue also concentrates in the Hong Kong market. For the six months ended 30 June 2024, the revenue generated from the Hong Kong market was approximately HK\$63.2 million (2023: HK\$100.0 million), representing approximately 100% (2023: 100%) of the total revenue of the Group.

## Management Discussion and Analysis

The table below sets out the breakdown of the Group's revenue recorded for the six months ended 30 June 2024 and 2023 by product categories, by price range of products and by geographical locations and their respective approximate percentages to the total revenue of the Group:

	For the six months ended 30 June				Approximate percentage change in revenue %
	2024		2023		
	HK\$ million	Approximate percentage of total revenue %	HK\$ million	Approximate percentage of total revenue %	
<b>By product categories (handbags and other products)</b>					
Handbags	62.6	99.1	96.3	96.3	(35.0)
Other products	0.6	0.9	3.7	3.7	(83.8)
<b>Total</b>	<b>63.2</b>	<b>100</b>	<b>100.0</b>	<b>100</b>	<b>(36.8)</b>
<b>By product categories (unused and second-hand products)</b>					
Unused products	47.6	75.3	76.4	76.4	(37.7)
Second-hand products	15.6	24.7	23.6	23.6	(33.9)
<b>Total</b>	<b>63.2</b>	<b>100</b>	<b>100.0</b>	<b>100</b>	<b>(36.8)</b>
<b>By price range of products</b>					
Within HK\$10,000	6.0	9.5	12.7	12.7	(52.8)
HK\$10,001 – HK\$30,000	14.3	22.6	22.0	22.0	(35.0)
HK\$30,001 – HK\$50,000	9.0	14.2	19.0	19.0	(52.6)
Above HK\$50,000	33.9	53.7	46.3	46.3	(26.8)
<b>Total</b>	<b>63.2</b>	<b>100</b>	<b>100.0</b>	<b>100</b>	<b>(36.8)</b>
<b>By geographical locations</b>					
Hong Kong	63.2	100	100.0	100	(36.8)

## Management Discussion and Analysis

### Cost of sales

For the six months ended 30 June 2024, cost of sales of the Group was approximately HK\$59.1 million, decreased by 28.7% as compared to the same period last year. The decrease in cost of sales was in line with the decrease in revenue. Cost of sales mainly consists of cost of inventories sold by the Group's suppliers.

### Gross profit and gross profit margin

Gross profit of the Group for the Period decreased by HK\$13.0 million to approximately HK\$4.1 million, with its gross profit margin decreased by 17.1% to 6.5%.

### Inventory analysis

The Group's total inventories as at 30 June 2024 and 31 December 2023 were approximately HK\$37.7 million and HK\$47.5 million respectively. The total inventories of the Group are recorded after netting of provision for slow-moving inventories.

The following table sets forth an aging analysis of inventories for the Group's handbag products as at 30 June 2024 and 31 December 2023:

	As at 30 June 2024	As at 31 December 2023
	HK\$'000	HK\$'000
<b>Aging of inventories (handbags products)</b>		
0 to 90 days	6,468	7,134
91 to 180 days	4,108	8,349
181 days to 1 year	6,217	9,972
Over 1 year	20,466	21,278
Total	<b>37,259</b>	<b>46,733</b>

The following table sets forth an aging analysis of inventories for the Group's other products as at 30 June 2024 and 31 December 2023:

	As at 30 June 2024	As at 31 December 2023
	HK\$'000	HK\$'000
<b>Aging of inventories (other products)</b>		
0 to 45 days	5	78
46 to 90 days	48	24
91 days to 1 year	208	288
Over 1 year	189	378
Total	<b>450</b>	<b>768</b>

## Management Discussion and Analysis

The following table sets forth an aging analysis of inventories for the Group's premium priced handbag products over HK\$50,000 as at 30 June 2024 and 31 December 2023:

	As at 30 June 2024	As at 31 December 2023
	HK\$'000	HK\$'000
<b>Aging of inventories (handbags products over HK\$50,000)</b>		
0 to 90 days	3,299	2,472
91 to 180 days	2,469	6,053
181 days to 1 year	3,199	6,617
Over 1 year	15,221	3,044
Total	<b>24,188</b>	18,186

### Other income

Other income amounted to approximately HK\$3.7 million, increased by HK\$2.1 million as compared to other income amounted to approximately HK\$1.6 million in the corresponding period last year. The increase was mainly attributable to gain on disposal of subsidiary.

### Other loss, net

Other loss amounted to approximately HK\$11.3 million, increased by HK\$4.8 million as compared to other loss amounted to approximately HK\$6.5 million in corresponding period last year. The increase was mainly attributable to the increase in loss on fair value change of financial assets at fair value through profit or loss.

### Selling expenses

The major items of the Group's selling expenses include rent and rates, employee benefit expenses for sales staff and bank credit card charges. For the six months ended 30 June 2024, selling expenses of the Group were approximately HK\$10.0 million, representing 15.8% of its revenue (six months ended 30 June 2023: approximately HK\$15.5 million, representing 15.5% of revenue).

### Administrative and other operating expenses

Administrative and other operating expenses of the Group for the six months ended 30 June 2024 amounted to approximately HK\$7.2 million, representing approximately 11.4% of the revenue, decreased by approximately HK\$1.0 million as compared to the corresponding period last year. The Group's administrative and other operating expenses mainly consist of Directors' remuneration, employee benefit expenses for the senior management and administrative staff, as well as legal and professional expenses.

### Finance costs

Finance costs of the Group mainly consists of interest expenses on bank overdrafts and bonds, interest expense on lease liability and finance leases. Finance costs remained same in the Period.

# Management Discussion and Analysis

## Loss attributable to the owners of the Company

Loss attributable to the owners of the Company for the six months ended 30 June 2024 was approximately HK\$21.5 million, representing an increase of 79.2% from loss of approximately HK\$12.0 million for the period ended 30 June 2023. The basic and diluted loss per share attributable to the owners of the Company was approximately HK2.44 cents and HK2.44 cents respectively for the six months ended 30 June 2024, as compared to the basic and diluted earnings per share of approximately HK1.37 cents and HK1.37 cents respectively for the six months ended 30 June 2023.

## Employees and remuneration policy

As at 30 June 2024, the Group had a total of 28 employees (31 December 2023: 37 employees). The Group's remuneration policy was determined according to the position, performance, experience of the staff as well as the market trend. Staff benefits of the Group include basic salaries, subsidies, insurance and commission/bonus. The remuneration policy was reviewed by the Board from time to time. Emoluments of Directors were reviewed by the remuneration committee of the Company and recommended to the Board for approval after considering the Group's operating results, individual performance and comparing with marketing conditions.

## Liquidity and financial resources

As at 30 June 2024 and 31 December 2023, the Group did not have any bank borrowing.

As at 30 June 2024, the Group's total balance of cash and cash equivalents, total liabilities and shareholders' equity were approximately HK\$9.1 million, HK\$35.4 million and HK\$63.6 million respectively (31 December 2023: approximately HK\$10.3 million, HK\$33.0 million and HK\$84.8 million respectively). The Group's gearing ratio (Note 1), current ratio (Note 2) and quick ratio (Note 3) as at 30 June 2024 were approximately 38.7%, 3.8 and 2.0 respectively (31 December 2023: 24.1%, 5.1 and 2.7 respectively).

### Notes:

1. Gearing ratio is calculated based on the borrowing and obligations under a finance lease divided by the total equity at the end of the Period and multiplied by 100%.
2. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the Period.
3. Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities as at the end of the Period.

## Pledge of assets

As at 30 June 2024 and 31 December 2023, the Group had no assets and bank deposits were pledged to banks to secure the bank borrowing and general banking facilities granted to the Group.

## Foreign exchange policy

The Group carried on its trading transactions mainly in HK\$, Renminbi and United States ("US") dollars. It is the Group's policy to continue maintaining the balance of its sales and purchases in the same currency. The Group did not have any hedging arrangement on foreign exchange. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at acceptable level.



## Management Discussion and Analysis

### Contingent liabilities

As at 30 June 2024, the Group did not have any significant contingent liabilities.

### Capital commitments

The Group did not have any capital commitments on property, plant and equipment as at 30 June 2024 and 31 December 2023.

### Significant Investments

The Group held significant investments under financial assets at fair value through profit or loss and available-for-sales investment as below:

Company	Stock code	As at 1 January 2024	Gain on disposal	Fair value loss	As at 30 June 2024	Percentage of shareholding (approximately)	Approximate percentage to the total assets
		HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Tai Kam Holdings Limited	8321	4,410	-	(2,628)	1,782	3.6%	1.8%
Others		18,352	-	(8,713)	9,639		
		22,762	-	(11,341)	11,421		

Except the significant investments disclosed above, there was no investment held by the Group of which the value was more than 5% of the total assets of the Group.

## OUTLOOK

Domestically, the government launched different scheme to encourage the tourism and hence stimulate the public to spend in local retail, consumption-related sectors, hence stimulating local consumer sentiment. The improved local business sentiment, coupled with the support from various government relief measures, should help domestic demand to improve in the period ahead and accelerating local economic recovery. The development of the Greater Bay Area economic region is also expected to provide new opportunities for Hong Kong's luxury retailers to expand their reach and customer base.

Looking ahead, local consumption may reduce further on the increase of unemployment. Besides, various uncertainty such as China-US relations, geopolitical tensions, the evolving policy stance of major central banks and the recent spread of the epidemic has cast uncertainty over the global economic outlook. The management therefore should continue to catch up any opportunities arose in this market and continued to strengthened our resources in order to maintain the leading position in the luxury handbags and accessories trading industry. Simultaneously, the management will also impose more prudent business policy to operate with great caution and lead the Group through unprecedented challenges.

## Additional Information

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

As at 30 June 2024, the Directors and the chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange.

#### Long positions in shares of the Company

Name of participants	Number of share held	Number of share options		Total	Approximate percentage of total number of issued shares
		Personal Interest	Family Interest		
<b>Executive Directors</b>					
Mr. Hu Bo	2,210,000	–	–	2,210,000	0.3%
Mr. Li Zhongqi	2,210,000	–	–	2,210,000	0.3%

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations.

### SHARE OPTIONS

The Company operates a share option scheme adopted by the Company on 30 June 2021 (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The movements in share options granted under the Scheme during the Period are shown below:

Name or category of participants	Number of share options						At 30 June 2024	Date of share options granted	Validity period of share options	Exercise price of share options HK\$ per share
	At 1 January 2024	Granted during the period	Exercised during the period (Note)	Expired during the period	Reclassified during the period	Lapsed during the period				
Directors										
Hu Bo	7,119,200	–	–	–	–	(7,119,200)	–	27-4-22	27-4-22 to 26-4-24	0.183
Li Zhongqi	7,119,200	–	–	–	–	(7,119,200)	–	27-4-22	27-4-22 to 26-4-24	0.183
Other employees/consultants										
In aggregate	56,953,600	–	–	–	–	(56,953,600)	–	27-4-22	27-4-22 to 26-4-24	0.183
	71,192,000	–	–	–	–	(71,192,000)	–			

The closing price of the Company's shares immediately before the date on which the share options were granted, i.e., 27 April 2022, was HK\$0.183 per share.

During the Period, (i) no share options under the Scheme were granted, exercised, expired or reclassified; and (ii) 71,192,000 outstanding share options under the Scheme were lapsed.

As at 30 June 2024, there was no share option outstanding under the Scheme. There is no options available for grant under the Scheme as of 1 January 2024 and 30 June 2024.

## Additional Information

### **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2024, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **USE OF NET PROCEEDS**

The proceeds from the listing, after deduction of related issuance expenses, amounted to HK\$0.7 million.

### **DIRECTOR'S INTEREST IN COMPETING INTERESTS**

The Directors are not aware of any business or interest of the Directors, the controlling shareholder of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2024.

### **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2024, the Company had complied with all applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules save as disclosed below.

Under code provision C.5.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the period, certain Board meetings were convened with less than 14 days' notice to facilitate the Directors' timely reaction and expeditious decision making process in respect of investment opportunity and internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Articles of Association of the Company. The Board will use reasonable endeavour to meet the requirement of code provision C.5.3 of the CG Code in future.

### **MATERIAL ACQUISITIONS OR DISPOSALS**

There was no material acquisitions or disposal of subsidiaries and affiliated companies by the Group for the six months ended 30 June 2024.

## Additional Information

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2024.

### EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 25 June 2024, 26 June 2024 and 16 July 2024. On 25 June 2024, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent Placees for up to 176,150,000 new Shares at a price of HK\$0.08 per Placing Share. Placing have been fulfilled and the completion of the Placing took place on 16 July 2024, where a total of 176,150,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.08 per Placing Share. The net proceeds (after all relevant expenses) from the Placing amounted to approximately HK\$13.7 million.

Saved as disclosed, the Group has no material events after the six months ended 30 June 2024 and up to the date of this report.

### AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Choi Kam Yan, Simon. The Audit Committee has reviewed with the management of the Company the financial statements of the Group for the six months ended 30 June 2024 and discussed with the management of the Company on auditing, risk management, internal control and financial reporting matters.

### REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2024, the Remuneration Committee comprises three members, a majority of whom are independent non-executive Directors, namely Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Hu Bo. The Remuneration Committee formulates the Company's remuneration policy of Directors and senior management, reviews and determines their remuneration packages and makes recommendations to the Board regarding the remuneration of Directors and senior management.

### NOMINATION COMMITTEE

The Company has established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2024, the Nomination Committee comprises three members, a majority of whom are independent non-executive Directors, namely Mr. Hu Bo (chairman), Mr. Chan Chi Hung and Mr. Tou Kin Chuen.

## Additional Information

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss, and to mitigate rather than eliminate risks of failure in the operational systems and achievements of the Group's business objectives. The Board has, engaged an independent internal control review advisor, conducted reviews of the effectiveness of the internal control system of the Group covering the Group's corporate governance, internal control, financial, operational (including information security), as well as risk management function and compliance functions. The Board as the ultimate responsible governing body of the Group monitors compliance with policies and procedures and the effectiveness of internal control structures across the Group and its principal divisions. The Board ensures the internal controls are in place and functioning properly as intended. The Board also considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on an ongoing basis.

In response to the risk, the management shall implement proper policies and procedures to review the effectiveness of risk management and internal control and remedy any defects of internal control, including conduct evaluation on a regular basis to keep abreast of the related information in a timely manner so as to facilitate the Audit Committee and the Board to evaluate the effectiveness of control and risk management of the Group.

For the Period, the Board and the Audit committee have reviewed and confirmed the effectiveness of the risk management and internal control systems.

The Group has a formal whistle-blowing policy to encourage and guide its staff to raise serious concerns internally in a responsible manner, without fear of retribution. During the Period, the Board has not been informed any complaints or concerns over financial improprieties from staff.

The Group has the inside information policy which sets out guidelines to the Directors and senior management of the Group to ensure inside information of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

### INTERIM DIVIDEND

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

By order of the Board  
**Milan Station Holdings Limited**  
**Hu Bo**  
*Executive Director*

Hong Kong, 29 August 2024