



# 2024

## Interim Report

**JUSTIN ALLEN HOLDINGS LIMITED**

**捷隆控股有限公司**

Incorporated in the Cayman Islands with limited liability

**Stock Code : 1425**

# CONTENTS

Management Discussion and Analysis	2
Other Information	10
Financial Contents	16
Corporate Information	34

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group primarily engages in the business of OEM garment manufacturing, specializing in the production of sleepwear and loungewear products. We have a vertically integrated business operation, which is comprised of (1) raw materials sourcing and greige fabric production, (2) raw materials and fabric development, (3) garment design, (4) customer consultation on product design and fabric use, (5) conducting key garment production processes with our production facilities, and (6) carrying out quality control at various key production stages and on finished garment products. As such, in addition to the individual services listed above, the Group offers our customers a one-stop solution, from apparel inception to finalized production and shipment. The Group owns production facilities in each of Henan Province, the People's Republic of China (“**PRC**”), Phnom Penh, Cambodia and Honduras. In Vietnam, the Group currently operates production via sub-contractors with long-term relationship. In addition to the design center in Spain, we have established a representative office in the United States in 2024 to strengthen our design and pre/post-sales operations and to enhance communication with our customers.

While the global economic landscape was restored in 2024 with the gradually recovery of global trade and the expectation of central banks approaching the end of the recent tightening cycle, the world continues to be facing challenges including the growing trend of decentralised supply chain and the rising geopolitical tensions. Amidst these global uncertainties, we have maintained our dedication to production bases diversification, vertical integration, and customer satisfaction, with a commitment to assuring product quality while controlling costs. These principles and strategies have served as the foundation for our success in this volatile environment.

For the six months ended 30 June 2024, the business of the Group has grown steady and achieved slight improvement in revenue, gross profit margin and profit attributable to the owners of the Company. The revenue of the Group increased by approximately 6.0%, the gross profit margin enhanced by approximately 0.6 percentage points to approximately 28.0% and the profit attributable to the owners of the Company increased by approximately 6.7% to approximately HK\$42.9 million for the six months ended 30 June 2024.

## **Financial Review**

### ***Revenue***

For the six months ended 30 June 2024, the revenue of the Group recorded at approximately HK\$385.1 million, representing an increase of approximately 6.0% as compared with the same period of 2023. The sales volume of sleepwear and loungewear products of the Group increased by approximately 0.7 million pieces to approximately 9.6 million pieces.

### ***Gross profit***

The gross profit of the Group in the first half of 2024 was approximately HK\$107.7 million with an average gross profit margin of approximately 28.0%, while it was approximately HK\$99.6 million with an average gross profit margin of approximately 27.4% in the same period of 2023. The proactive implementation of business strategies such as diversification of production bases allowed us to allocate production among different bases to save on raw material and production costs, and thus resulted in a slight increase of average gross profit margin during the current period.

### ***Other income***

For the six months ended 30 June 2024, the Group recorded other income of approximately HK\$7.5 million, while it was approximately HK\$7.4 million during the six months ended 30 June 2023. There was an increase in bank deposit interest income of approximately HK\$2.4 million in the six months ended 30 June 2024 compared to the same period in 2023 which was mainly attributed to the increment of interest rates. At the same time, the amount of interest income and dividend income from market-tradeable bond instruments and funds decreased by approximately HK\$1.8 million.

### ***Other gains and losses***

For the six months ended 30 June 2024, the Group recorded other net gain of approximately HK\$2.7 million, while the other net loss was approximately HK\$0.07 million during the six months ended 30 June 2023. The Group recorded approximately HK\$1.3 million of aggregated realized and unrealized net gains from investments in market-tradeable bond instruments and funds in the six months ended 30 June 2024 as compared to approximately HK\$4.1 million losses in the same period in 2023. At the same time, the aggregated realized and unrealized exchange gains decreased by approximately HK\$1.8 million, from exchange gains of approximately HK\$3.2 million in the six months ended 30 June 2023 as compared to exchange gains of approximately HK\$1.4 million in the same period in 2024.

### ***Selling and distribution expenses***

For the six months ended 30 June 2024, the selling and distribution expenses of the Group were approximately HK\$19.7 million, which was similar to the same period in 2023.

### ***Administrative expenses***

The administrative expenses of the Group for the six months ended 30 June 2024 were approximately HK\$37.0 million, with an increase of approximately HK\$6.7 million as compared to the same period of last year. The increase is mainly resulted from the expansion of the Group's operation scale, including commencement of mass production of Cambodia factory, the continuing operation of Honduras factory and the commitment in the Vietnam production base.

### ***Finance costs***

For the six months ended 30 June 2024, the finance costs of the Group were approximately HK\$7.3 million, while they were approximately HK\$5.0 million during the same period in 2023. In the first half of 2024, the interest rates for trade financing such as discounting and post shipment seller loans were higher than those in 2023 due to the United States Federal Reserve System announcing a series of interest rate hikes, which also had a substantial impact to the interest rate in Hong Kong. In addition, more trade financing had been arranged for the six months ended 30 June 2024.

## **Profit attributable to the owners of the Company**

The profit attributable to the owners of the Company increased by approximately 6.7% from approximately HK\$40.2 million for the six months ended 30 June 2023 to approximately HK\$42.9 million for the six months ended 30 June 2024. The increment of net profit was mainly due to the abovementioned reasons and cost control.

## **Receivables and payables**

As at 30 June 2024, the trade and other receivables of the Group amounted to approximately HK\$139.9 million, which were higher than the balance of approximately HK\$105.1 million as at 31 December 2023. As at 30 June 2024, the prepayments to import-export corporations and other prepayments increased by approximately HK\$11.0 million and HK\$8.9 million, which were due to the increase of production works in our overseas production bases and sub-contractors.

As at 30 June 2024, the trade and other payables of the Group amounted to approximately HK\$305.4 million, representing an increase of approximately HK\$131.4 million as compared to the balance in 2023 mainly due to the increase of trade payables and the recognition of the 2023 dividend payables of approximately HK\$60.6 million as at 30 June 2024. The peak season of the Group is around the middle of the year, and the Group always stocked more raw materials for production purpose. As a result, the trade payable balance during the middle of the year is always higher than that as at 31 December of every year.

## **Outlook and future prospects**

In 2024, the global economic growth was slower than the expectation and the progress of the major central banks to ease the restrictive monetary policies was also conservative. In light of these circumstances, our Group is aiming on stable growth in our existing business while also planning for future expansion to capitalize on business opportunities once global and domestic demand regains resilience.

The mass production of our production facility in Honduras continues to help the Group to shorten delivery times to our customers in the United States, diversify any political risks, and provide us with benefits when we foray into new markets as a pioneer.

The Group continued the construction works for our clothing production base in the Thua Thien Hue Province, Vietnam. This production facility is with an estimated production capacity of approximately 2 million pieces per month and the Group expects it can increase our production capacity, reduce costs, and enhance product quality.

During the period, the Group continued the initial activities of our first self-owned brand (COZ), including recruiting competent management to lead and implement this plan, positioning our new brand in the market and studying the budget and resource required. The Group will develop and process this new branding gradually and will execute this plan for the benefit of the Group and our shareholders as a whole.

To enable sustainable development of the Group and to provide better services to our customers, we have established a representative office in the United States to strengthen our design and pre/post sales operations. Through this close to customer establishment, we aim to enhance communication with our customers, improve our understanding of customers' need, foster closer relationships and embodying the belief that "sales involve not only products but also services". This representative office will also facilitate the expansion of new markets and bring about new opportunities in the United States for the Group.

With these plans in mind, our Group's objective is to expand into existing and new markets by leveraging our solid foundation, market intelligence, and technical expertise and stringent quality control process. By positioning ourselves to capture future opportunities, we aim to deliver fruitful returns for the Group and all stakeholders involved.

### **Financial resources and liquidity**

As at 30 June 2024, the Group had current assets of approximately HK\$852.1 million (31 December 2023: HK\$735.6 million) and current liabilities of approximately HK\$330.7 million (31 December 2023: HK\$195.1 million). The current ratio was 2.58 as at 30 June 2024 as compared with 3.77 as at 31 December 2023.

The Group's cash and bank balances as at 30 June 2024 amounted to approximately HK\$349.7 million (31 December 2023: HK\$355.0 million), of which approximately 18.8% were denominated in Hong Kong dollars, approximately 15.9% were denominated in Renminbi, approximately 59.8% were denominated in United States dollars, and approximately 5.5% were denominated in other currencies.

Since the Group's principal activities are in Hong Kong and PRC and the financial resources available, including cash on hand and bank borrowings, are mainly in Hong Kong Dollars, Renminbi and United States Dollars, the exposure to foreign exchange fluctuation is relatively limited. As at 30 June 2024, the Group entered into foreign currency options to lock the exchange risk between Renminbi and United States dollars. The Group will from time to time consider different financial instruments to control the foreign exchange risk at a manageable level.

The Group intends to principally finance its operations and investing activities with its operating revenue, internal resources and bank facilities. The Directors believe that the Group has a healthy financial position and has sufficient resources to satisfy its capital expenditure and working capital requirement. The Group adopted a conservative treasury policy with most of the bank deposits being kept in Hong Kong dollars or United States dollars or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks, and making investment in financial instruments with open market, good credit rating and low market risk to earn stable return. Other than stated above, the Group did not have other interest or currency swaps or other financial derivatives for hedging purposes.

As at 30 June 2024, the Group owned 11 sets of market-tradable bond instruments with par value between USD0.2 million and USD2.0 million each through a bank via different transactions with the objective of applying unutilized short-term available fund to earn stable return from wide-ranged portfolios. Those bond instruments were issued by 9 different issuers (who are independent third parties) in Hong Kong Stock Exchange or Singapore Stock Exchange and were acquired by the Group on the secondary market, with par value (aggregated according to each issuer) ranged from USD0.2 million to USD2.0 million and coupon rate ranged from 3.75% to 7.95%. The principal business activities of these issuers mainly include banking, airline services, property and real estate development in the PRC, etc.. As at 30 June 2024, the total amount of par value of these bonds was approximately USD6.25 million (equivalent to approximately HK\$48.8 million) and the market value was approximately USD2.8 million (equivalent to approximately HK\$22.0 million), and the aggregation of par value of bond instruments from each issuer represented less than 5% of the total assets of the Group. During the six months ended 30 June 2024, the Group recognized unrealized gain from mark-to-market fair value adjustments of approximately HK\$0.2 million. There are no additions of investments in bond instruments during 2024.



As at 30 June 2024, the Group also owned 9 different funds with par value between USD0.25 million and USD7.1 million each through a bank. These funds were issued by 9 different financial institutions (which are independent third parties) with par value (aggregated according to each issuer) ranged from USD0.25 million to USD7.1 million each. As at 30 June 2024, the total amount of par value of these funds was approximately USD11.8 million (equivalent to approximately HK\$92.0 million) and the market value was approximately USD11.6 million (equivalent to approximately HK\$90.1 million), and the aggregation of par value of funds from each issuer represented less than 5% of the total assets of the Group. During the six months ended 30 June 2024, the Group recognized unrealized gain from mark-to-market fair value adjustments of approximately HK\$1.1 million. There are no additions of investments in funds during 2024.

The management of the Group made risk assessments and set different criteria before making investment in each bond instrument and fund, including (but not limited to) understanding the business nature of each issuer and characteristics of each bond instrument and fund through related product introduction materials, ensure the risk and reward from each investment is in a reasonable balance and all are tradeable in open market in order to maintain high liquidity. We may also review the investment portfolio from time to time, and remain cautious with the volatility in global financial markets due to the geopolitical tensions as well as the fluid outlook of interest rates.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2024, the Group employed 1,887 staff and workers (31 December 2023: 1,977). The Group remunerates its employees based on their performance and experience, and their remuneration package will be reviewed periodically by the management. Other employee benefits include medical insurance, retirement scheme, appropriate training program and share option scheme.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Directors were not aware of any material contingent liabilities.

## USE OF NET PROCEEDS FROM GLOBAL OFFERING

After deduction of all related listing expenses and commissions, the net proceeds from the global offering amounted to approximately HK\$60.8 million. The details of amount utilized as at 30 June 2024 and expected timetable for the unutilized proceeds are as follows:

	Allocation HK\$'million	Amount utilized up to 30 June 2024 HK\$'million	Amount unutilized up to 30 June 2024 HK\$'million	Expected timeline for the unutilized net proceeds to be utilized (Note)  For the year ending 31 December 2024 HK\$'million
Further development of existing factory	45.1	45.1	–	–
New production factories	13.8	11.6	2.2	2.2
Working capital	1.9	1.9	–	–
<b>Total</b>	<b>60.8</b>	<b>58.6</b>	<b>2.2</b>	<b>2.2</b>

Note: The expected timeline for utilizing the unutilized net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have material acquisitions and disposals for the six months ended 30 June 2024.

## SIGNIFICANT INVESTMENT AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above, during the six months ended 30 June 2024, the Group did not have other significant investments.

## EVENTS AFTER THE REPORTING PERIOD

A dividend of approximately HK\$60.6 million was paid by the Company on 3 July 2024. Save as disclosed above and in this report, no other subsequent events occurred after 30 June 2024 which may have a significant effect on the assets and liabilities or future operations of the Group.

## OTHER INFORMATION

### Directors' and Chief Executive's Interests and Short Positions in Shares of the Company ("Shares") and Underlying Shares

As at 30 June 2024, the Directors and the chief executives of the Company, and their respective associates had the following interests in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

Name of Director	Capacity	Number of ordinary shares held (Note 1)	Approximate percentage of the Company's issued share capital
Mr. Tam Kwok Pui ("Mr. Tam")	Interest in controlled corporation (Note 2)	838,076,505 (L)	67.1%
Ms. Yeung Suk Foon Paulina ("Mrs. Tam")	Family interest of spouse (Note 3)	838,076,505 (L)	67.1%

Note:

- (1) The letter "L" denotes the person's long position in our Shares.
- (2) Strategic King Holdings Limited ("Strategic King") is owned as to 90% by Mr. Tam and 10% by Mrs. Tam. Mr. Tam controls more than one-third of the voting rights of Strategic King and is deemed interested in the shares held by Strategic King by virtue of the SFO.
- (3) Mrs. Tam is the spouse of Mr. Tam and is deemed interested in the Shares held by Mr. Tam by virtue of the SFO.

Apart from the foregoing, none of the Directors and chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in shares, underlying shares or debentures of the Company, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or pursuant to the Model Code contained in the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) Rules or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO.

### **Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares**

As at 30 June 2024, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which are required 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 required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

### **Long and Short Positions in the Shares of the Company**

<b>Name of Shareholder</b>	<b>Nature of interests</b>	<b>Number of the shares interested</b> <i>(Note 1)</i>	<b>Approximate percentage or attributable percentage of shareholding (%)</b>
Strategic King	Beneficial owner <i>(Note 2)</i>	838,076,505 (L)	67.1%

*Notes:*

1. The letter “L” denotes the person’s long position in our Shares.
2. Strategic King is owned as to 90% by Mr. Tam and 10% by Mrs. Tam. Mr. Tam and his spouse, Mrs. Tam control more than one-third of the voting rights of Strategic King and are deemed interested in the shares held by Strategic King by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, the Directors or chief executive of the Company were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares 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, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **Share Option Scheme**

The Company has adopted a 2023 share option scheme (the “**Share Option Scheme**”) on 8 June 2023 and on the same date terminated the share option scheme adopted by the Company on 17 October 2019. Summary of the principal terms of the Share Option Scheme was disclosed in the circular dated 5 May 2023.

The total number of securities available for issue under the original share option scheme as at 1 January 2024 and under the Share Option Scheme as at 30 June 2024 was 125,000,000 and 125,000,000 Shares respectively, which both represented approximately 10% of the issued share capital of the Company as at the corresponding date. Under the Share Option Scheme, the maximum entitlement of each participant should not be exceed 1% of Shares in issue, and the service provider submit as at 30 June 2024 was 25,000,000 Shares. No option had been granted or agreed to be granted as at the date of this interim report.

During the six months ended 30 June 2024, none of the Company or any of its subsidiaries was a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

### **Purchase, Sale or Redemption of Shares**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares.

## **Competing Interest**

None of the Directors or the controlling shareholders (as defined in the Listing Rules) of the Company (“**Controlling Shareholders**”) had an interest in a business which competes or may compete with the business of the Group.

Each of the Controlling Shareholders has provided a written confirmation (each a “**Confirmation**”, and together the “**Confirmations**”) to the Company confirming that he/she/it fully complied with the Deed of Non-Competition (as defined in the Prospectus) during the six months ended 30 June 2024 and that they did not conduct any competing business with the Group and were not offered any competing business opportunities with the Group during the six months ended 30 June 2024. The independent non-executive Directors have reviewed the Confirmations from the Controlling Shareholders and are satisfied that the Deed of Non-Competition was fully complied with by Controlling Shareholders during the six months ended 30 June 2024, and no competing business was reported by the Controlling Shareholders throughout the six months ended 30 June 2024.

## **Directors’ Interests in Transactions, Arrangements or Contracts**

Save for the service contracts and letters of appointment entered into with the respective Directors, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or any time during the period.

## **Model Code for Securities Transactions**

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiry of the Directors, all Directors have confirmed their compliance with all the relevant requirements as set out in the Model Code during the six months ended 30 June 2024.

## **Code of Corporate Governance Practices**

The Company has complied with all of the code provisions of the Corporate Governance Code and Corporate Governance Report (the “**Code**”) as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2024, except for the following deviations:

Pursuant to Code Provision C.2.1 of the Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive and Mr. Tam Kwok Pui currently performs these two roles. The Directors believe that vesting the roles of both chairman and chief executive in the same position has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The board of Directors of the Company (the “**Board**”) considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the six months ended 30 June 2024 and up to the date of this interim report.

### **Interim Dividend**

The Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2024 (corresponding period of 2023: Nil).

### **Audit Committee**

The Company has established the audit committee for the purpose of monitoring the integrity of the financial statements and overseeing the financial reporting process and the internal control system of the Group. Currently, the audit committee is chaired by the independent non-executive Director Mr. Mak King Sau and other members include the two independent non-executive Directors Mr. Lui Ho Ming Paul and Mr. Woo Chun Fai.

The Group's condensed consolidated interim financial statements for the six months ended 30 June 2024 are unaudited but have been reviewed by the audit committee.

### **Remuneration Committee**

The Company has established the remuneration committee to consider the remuneration of all Directors and senior management of the Company. Currently, the remuneration committee is chaired by the independent non-executive Director Mr. Lui Ho Ming Paul and other members include the executive Director Mr. Tam Kwok Pui and the independent non-executive Director Mr. Mak King Sau.

### **Nomination Committee**

The Company has established the nomination committee to assist the Board in the overall management of the Director nomination practices of the Company. Currently, the nomination committee is chaired by the executive Director Mr. Tam Kwok Pui and other members include the independent non-executive Directors Mr. Woo Chun Fai and Mr. Mak King Sau.

On behalf of the Board  
**Justin Allen Holdings Limited**  
**Tam Kwok Pui**  
*Chairman*

Hong Kong, 30 August 2024



# FINANCIAL CONTENTS

Interim Results	17
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Condensed Consolidated Statement of Financial Position	19
Condensed Consolidated Statement of Changes in Equity	21
Condensed Consolidated Statement of Cash Flows	22
Notes to the Condensed Consolidated Financial Statements	23

## INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results for the six months ended 30 June 2024 of the Group, together with comparative figures for the previous period as follows:

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

For the Six Months Ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>385,093</b>	363,460
Cost of sales		<b>(277,380)</b>	(263,832)
<b>Gross profit</b>		<b>107,713</b>	99,628
Other income		<b>7,537</b>	7,379
Other gains and losses, net		<b>2,716</b>	(73)
Selling and distribution expenses		<b>(19,744)</b>	(19,797)
Administrative expenses		<b>(37,017)</b>	(30,309)
Finance costs		<b>(7,297)</b>	(5,017)
<b>Profit before tax</b>		<b>53,908</b>	51,811
Income tax expense	4	<b>(11,002)</b>	(10,463)
<b>Profit for the period</b>	5	<b>42,906</b>	41,348
<b>Other comprehensive income/(loss), net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of foreign operations		<b>(5,077)</b>	(9,132)
Other comprehensive income/(loss) for the period, net of income tax		<b>(5,077)</b>	(9,132)
<b>Total comprehensive income for the period, net of income tax</b>		<b>37,829</b>	32,216

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Profit/(loss) for the period attributable to:</b>			
— Owners of the Company		42,906	40,226
— Non-controlling interests		—	1,122
		<b>42,906</b>	41,348
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
— Owners of the Company		37,829	34,909
— Non-controlling interests		—	(2,693)
		<b>37,829</b>	32,216
<b>Dividend</b>	6	—	—
<b>Earnings per share</b>	7		
— Basic and diluted (HK cents)		3.43	3.22

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	123,050	123,712
Right-of-use assets		66,258	71,336
Rental deposits		2,807	2,908
Deferred tax assets		8,207	6,890
		<b>200,322</b>	204,846
<b>Current assets</b>			
Inventories		216,041	81,656
Trade and other receivables	9	139,943	105,137
Financial assets at fair value through other comprehensive income		34,217	82,960
Financial assets at fair value through profit of loss		112,157	110,833
Bank balances and cash		349,710	354,981
		<b>852,068</b>	735,567
<b>Current liabilities</b>			
Trade and other payables	10	305,362	173,920
Lease liabilities		1,754	2,137
Bank borrowings		7,813	–
Tax payable		15,773	19,026
		<b>330,702</b>	195,083
<b>Net current assets</b>		<b>521,366</b>	540,484
<b>Total assets less current liabilities</b>		<b>721,688</b>	745,330

	<i>Note</i>	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>5,111</b>	5,115
Lease liabilities		<b>13,689</b>	14,531
		<b>18,800</b>	19,646
<hr/>			
<b>Net assets</b>		<b>702,888</b>	725,684
<hr/>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	11	<b>12,500</b>	12,500
Reserves		<b>690,388</b>	713,184
<hr/>			
<b>Total equity attributable to owners of the Company</b>		<b>702,888</b>	725,684

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to the owners of the Company						Sub-total	Non-controlling interests	Total
	Share capital	Share premium	Statutory reserve	Other reserve	Exchange reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	12,500	113,535	1,187	20,942	(7,326)	473,017	613,855	28,931	642,786
Profit for the period	-	-	-	-	-	40,226	40,226	1,122	41,348
Exchange difference on translation of foreign operations	-	-	-	-	(5,317)	-	(5,317)	(3,815)	(9,132)
Total comprehensive income for the period	-	-	-	-	(5,317)	40,226	34,909	(2,693)	32,216
Dividends declared	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
At 30 June 2023 (unaudited)	12,500	113,535	1,187	20,942	(12,643)	458,243	593,764	26,238	620,002
At 1 January 2024 (audited)	<b>12,500</b>	<b>113,535</b>	<b>4,361</b>	<b>17,097</b>	<b>(12,072)</b>	<b>590,263</b>	<b>725,684</b>	-	<b>725,684</b>
Profit for the period	-	-	-	-	-	42,906	42,906	-	42,906
Exchange difference on translation of foreign operations	-	-	-	-	(5,077)	-	(5,077)	-	(5,077)
Total comprehensive income for the period	-	-	-	-	(5,077)	42,906	37,829	-	37,829
Dividends declared	-	-	-	-	-	(60,625)	(60,625)	-	(60,625)
At 30 June 2024 (unaudited)	<b>12,500</b>	<b>113,535</b>	<b>4,361</b>	<b>17,097</b>	<b>(17,149)</b>	<b>572,544</b>	<b>702,888</b>	-	<b>702,888</b>

## 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)
<b>Net cash generated used in operating activities</b>	<b>(2,701)</b>	(10,711)
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(8,809)</b>	(2,159)
Purchase of financial assets at fair value through profit of loss	–	(19,250)
Withdrawal of financial assets at fair value through profit of loss	–	61,079
Other cash flows arising from investing activities	<b>6,872</b>	201
<b>Net cash generated (used in)/from investing activities</b>	<b>(1,937)</b>	39,871
<b>Financing activities</b>		
Proceeds from new bank borrowings	<b>7,813</b>	–
Other cash flows arising from financing activities	<b>(6,103)</b>	(6,805)
<b>Net cash from/(used in) financing activities</b>	<b>1,710</b>	(6,805)
<b>Net (decrease) increase in bank balances and cash</b>	<b>(2,928)</b>	22,355
<b>Bank balances and cash at 1 January</b>	<b>354,981</b>	165,297
Effect of foreign exchange rate changes	<b>(2,343)</b>	(3,257)
<b>Bank balances and cash at 30 June</b>	<b>349,710</b>	184,395

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These consolidated interim financial results have been prepared in accordance with the applicable disclosure requirements of the Listing Rules.

These consolidated interim financial results contain consolidated financial results and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the publication of the 2023 annual financial statements. These consolidated interim financial results and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The financial information relating to the financial year ended 31 December 2023 included in these consolidated interim financial results as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2023 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2024.

The accounting policies and methods of computation used in the preparation of this interim results announcement are consistent with those adopted by the Group in the 2023 annual accounts, except for the adoption of new and revised standards with effect from 1 January 2024 as detailed in note 2 below.



## 2. CHANGES IN ACCOUNTING POLICIES

The Group had applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the condensed consolidated financial statements:

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

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

## 3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from the manufacturing and sales of products, which included sleepwear and loungewear products and greige fabric, and processing services for the six months ended 30 June 2024 and 2023.

The Group has one operating segment based on information reported to the chief operating decision maker of the Group (the executive Directors who are also directors of the operating subsidiaries) (the "CODM") for the purpose of resource allocation and performance assessment, which is the consolidated results of the Group. As a result, there is only one reporting segment of the Group. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

#### Revenue from major products and services

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2023 <i>HK\$'000</i> (Unaudited)
Sales of products (sleepwear, loungewear and greige fabric)	<b>385,093</b>	362,895
Processing services	–	565
	<b>385,093</b>	363,460
<b>Timing of revenue recognition</b>		
At a point in time	<b>385,093</b>	362,895
Over time	–	565
	<b>385,093</b>	363,460

During the six months ended 30 June 2024 and 2023, all performance obligations for manufacturing and sales of sleepwear products, loungewear products, greige fabric and processing services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at the end of each reporting period is not disclosed.

### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

#### Geographical information

The following is an analysis of the Group's revenue from external customers as presented based on the location of customers:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2023 <i>HK\$'000</i> (Unaudited)
<b>Revenue</b>		
United States of America	<b>250,169</b>	282,903
United Kingdom	<b>45,817</b>	24,991
Ireland	<b>57,632</b>	26,646
Canada	<b>7,006</b>	16,001
Spain	<b>16,912</b>	8,954
The PRC	<b>6,907</b>	3,409
Latin America	<b>650</b>	–
Honduras	–	556
	<b>385,093</b>	363,460

The analysis of the Group's non-current assets by location of assets is as follows:

	<b>As at</b> <b>30 June</b> <b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2023 <i>HK\$'000</i> (Audited)
	<b>Non-current assets</b>	
The PRC	<b>116,751</b>	127,933
Hong Kong	<b>29,145</b>	30,381
Honduras	<b>26,432</b>	9,963
Cambodia	<b>8,485</b>	5,730
Vietnam	<b>11,302</b>	6,493
	<b>192,115</b>	180,500

Note: Non-current assets excluded deferred tax assets.

### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

#### Information about major customers

Revenue from customers for the six months ended 30 June 2024 and 2023 contributing over 10% of the Group's revenue are as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A	246,654	281,577
Customer B	123,876	61,918

### 4. INCOME TAX EXPENSES

Taxation in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	8,153	4,458
PRC Enterprise Income Tax	3,127	6,104
Cambodia Income Tax	1,042	903
	12,322	11,465
Deferred tax credit	(1,320)	(1,002)
	11,002	10,463

#### (a) Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and, accordingly, is exempted from payment of Cayman Islands income tax.

#### **4. INCOME TAX EXPENSES** *(continued)*

##### **(b) British Virgin Islands Income Tax**

Entities incorporated in the British Virgin Islands as exempted companies with limited liability under the Company Law of British Virgin Islands are exempted from payment of British Virgin Islands income tax.

##### **(c) Hong Kong Profits Tax**

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

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

##### **(d) PRC Enterprise Income Tax**

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the six months period ended 30 June 2024 and 2023.

Pursuant to the EIT Law of PRC and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at tax rate of 5%.

##### **(e) Cambodia Income Tax**

Pursuant to the relevant laws and regulations in Cambodia, the tax rate of the Cambodian subsidiary is 20% during the six months period ended 30 June 2024 and 2023.

## 5. PROFIT FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period is stated after charging:		
Staff costs comprises:		
— Wages and salaries	<b>50,532</b>	48,920
— Retirement benefits schemes contributions	<b>4,203</b>	4,389
	<b>54,735</b>	53,309
Depreciation of property, plant and equipment	<b>6,656</b>	6,695
Depreciation of right-of-use assets	<b>2,275</b>	2,592
Cost of inventories recognised as an expense	<b>224,000</b>	205,952
Expenses related to short-term leases	<b>900</b>	559

## 6. INTERIM DIVIDEND

During the six months ended 30 June 2024, the Board declared HK\$0.0485 (2023: HK\$0.044) per share or approximately HK\$60.6 million (2023: HK\$55.0 million) in aggregate as final dividend for the year ended 31 December 2023.

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## 7. EARNINGS PER SHARE

The calculation of the basic earnings 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)
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share (Profit for the period attributable to the owners of the Company)	42,906	40,226
	'000 (Unaudited)	'000 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,250,000	1,250,000

Basic and diluted earnings per share for the six months ended 30 June 2024 and 2023 was the same as there was no potential ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, there was an addition of approximately HK\$8.8 million (for the six months ended 30 June 2023: HK\$2.16 million) in property, plant and equipment.

## 9. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Trade receivables, net	<b>39,962</b>	30,297
Prepayments	<b>17,026</b>	8,090
Prepayments to import-export corporations	<b>67,758</b>	56,806
Deposits	<b>61</b>	253
Tax recoverable	<b>11,989</b>	8,461
Other receivables, net	<b>3,147</b>	1,230
	<b>139,943</b>	105,137

The Group allows a credit period of 0 to 120 days to its trade receivables.

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the delivery dates at the end of each reporting period:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
0–30 days	<b>32,950</b>	21,401
31–60 days	<b>6,512</b>	8,319
61–90 days	<b>500</b>	577
	<b>39,962</b>	30,297



## 10. TRADE AND OTHER PAYABLES

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Trade payables	<b>107,515</b>	51,141
Prepayments from and purchase payables due to import-export corporations	<b>70,526</b>	48,874
Accrued expenses	<b>64,078</b>	63,402
Dividend payables	<b>60,625</b>	–
Other tax payables	<b>1,346</b>	3,683
Payables for acquisition of property, plant and equipment	<b>1,245</b>	2,739
Other payables	<b>27</b>	4,081
	<b>305,362</b>	173,920

The following is an aged analysis of trade payables presented based on the invoice dates of goods at the end of each reporting period:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
0–30 days	<b>99,774</b>	47,776
31–60 days	<b>5,240</b>	1,912
61–90 days	<b>2,408</b>	1,179
Over 90 days	<b>93</b>	274
	<b>107,515</b>	51,141

The credit period on purchases of goods is 0 to 90 days upon the issue of invoices.

## 11. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<b>Authorised:</b>		
Balance as at 31 December 2023 and 30 June 2024, ordinary shares of HK\$0.01 each	50,000,000,000	500,000
<b>Issued and fully paid:</b>		
Balance as at 31 December 2023 and 30 June 2024	1,250,000,000	12,500

## 12. CAPITAL COMMITMENTS

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the period/year	<b>3,989</b>	–

## 13. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2024 (2023: Nil).

## CORPORATE INFORMATION

### Executive Directors

Mr. Tam Kwok Pui  
(*Chairman and Chief Executive Officer*)  
Ms. Yeung Suk Foon Paulina  
Mr. So Lei Mo Raymond

### Independent Non-executive Directors

Mr. Mak King Sau  
Mr. Lui Ho Ming Paul  
Mr. Woo Chun Fai

### Company Secretary

Mr. Foo Tin Chung, Victor

### Authorised Representatives

Mr. Tam Kwok Pui  
Mr. Foo Tin Chung, Victor

### Audit Committee

Mr. Mak King Sau (*Chairman*)  
Mr. Lui Ho Ming Paul  
Mr. Woo Chun Fai

### Remuneration Committee

Mr. Lui Ho Ming Paul (*Chairman*)  
Mr. Tam Kwok Pui  
Mr. Mak King Sau

### Nomination Committee

Mr. Tam Kwok Pui (*Chairman*)  
Mr. Mak King Sau  
Mr. Woo Chun Fai

### Website

[www.justinallengroup.com](http://www.justinallengroup.com)

### Stock Code

1425

### Date of Listing

28 November 2019

### Auditors

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*

### Principal Share Registrar and Transfer Office

Ogier Global (Cayman) Limited  
89 Nexus Way  
Camana Bay  
Grand Cayman KY1-9009  
Cayman Islands

### Hong Kong Branch Share Registrar

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716, Hopewell Centre  
183 Queen's Road East, Hong Kong

### Principal Bankers

HSBC  
Standard Chartered Bank (Hong Kong)  
Limited

### Registered Office in Cayman Islands

Ogier Global (Cayman) Limited  
89 Nexus Way  
Camana Bay  
Grand Cayman KY1-9009  
Cayman Islands

### Principal Place of Business in Hong Kong

31/F, Excel Centre  
483A Castle Peak Road  
Cheung Sha Wan  
Hong Kong