



LUXEY
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LUXEY INTERNATIONAL (HOLDINGS) LIMITED
薈萃國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8041)

Website: <http://www.luxey.com.hk>



2024/2025

INTERIM REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2024

		(Unaudited)	
		Six months ended	
		31 December	
	<i>Note</i>	2024	2023
		HK\$'000	<i>HK\$'000</i>
Revenue	5	28,936	24,160
Cost of sales and service rendered		(24,294)	(19,348)
Gross profit		4,642	4,812
Other income		743	930
Selling expenses		(32)	(37)
Administrative expenses		(7,441)	(8,476)
Profit/(Loss) from operations		(2,088)	(2,771)
Finance costs	6	(16)	(163)
Profit/(Loss) before tax		(2,104)	(2,934)
Income tax expense	7	–	–
Profit/(Loss) for the period	8	(2,104)	(2,934)
Attributable to:			
Owners of the Company		(2,096)	(2,883)
Non-controlling interests		(8)	(51)
		(2,104)	(2,934)
Profit/(Loss) per share	9		
Basic (cent per share)		(0.26)	(0.36)
Diluted (cent per share)		(0.26)	(0.36)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Profit/(Loss) for the period	(2,104)	(2,934)
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(44)	(377)
Other comprehensive income for the period, net of tax	(44)	(377)
Total comprehensive income/(loss) for the period	(2,148)	(3,311)
Attributable to:		
Owners of the Company	(2,140)	(3,260)
Non-controlling interests	(8)	(51)
	(2,148)	(3,311)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	11	1,476	976
Right-of-use assets		143	633
Total non-current assets		1,619	1,609
Current assets			
Inventories		3,589	2,128
Trade and other receivables	12	41,866	29,052
Loan receivable		12,700	11,000
Bank and cash balances		10,682	17,038
Total current assets		68,837	59,218
Current liabilities			
Trade and other payables	13	37,483	25,206
Lease liabilities		157	762
Employee benefit obligations		3,260	3,154
Current tax liabilities		477	478
Total current liabilities		41,377	29,600
Net current assets		27,460	29,618
Total assets less current liabilities		29,079	31,227

		(Unaudited)	(Audited)
		31 December	30 June
		2024	2024
	<i>Note</i>	HK\$'000	HK\$'000
Non-current liabilities			
Lease liabilities		—	—
		<hr/>	<hr/>
NET ASSETS		29,079	31,277
		<hr/>	<hr/>
Capital and reserves			
Share capital	14	269,325	269,325
Reserves		(220,258)	(218,118)
		<hr/>	<hr/>
Equity attributable to owners of the Company		49,067	51,207
Non-controlling interests		(19,988)	(19,980)
		<hr/>	<hr/>
TOTAL EQUITY		29,079	31,227
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	(Unaudited)							
	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Capital redemption reserve	Accumulated losses	Sub-total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
As at 1 July 2023	270,910	705,729	1,722	150	(925,815)	52,696	(19,913)	32,783
Conversion of series B convertible non-voting preference share into ordinary shares	(1,585)	1,585	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(377)	-	(2,883)	(3,260)	(51)	(3,311)
As at 31 December 2023	269,325	707,314	1,345	150	(928,698)	49,436	(19,964)	29,472
As at 1 July 2024	269,325	707,314	1,429	150	(927,011)	51,207	(19,980)	31,227
Total comprehensive income for the period	-	-	(44)	-	(2,096)	(2,140)	(8)	(2,148)
As at 31 December 2024	269,325	707,314	1,385	150	(929,107)	49,067	(19,988)	29,079

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	(5,117)	885
Purchase of property, plant and equipment	(777)	–
Other investing cash flows (net)	203	154
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(574)	154
Repayment of lease liabilities	(605)	(1,394)
Interest paid on lease liabilities	(16)	(163)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(621)	(1,557)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,312)	(518)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,038	13,239
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(44)	(377)
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY	10,682	12,344
Bank and cash balances	10,682	12,344

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2024

1. GENERAL INFORMATION

Luxey International (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit B, 5th Floor, Hang Cheong Factory Building, 1 Wing Ming Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (collectively the “Group”) are engaged in:

- (i) manufacturing and trading of high-end swimwear and garment products;
- (ii) e-commerce and provision of on-line shopping; and
- (iii) money lending business.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

These unaudited condensed financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these unaudited condensed financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2024.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 July 2024. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the condensed financial statements.

4. SEGMENT INFORMATION

The Group has three reportable segments as follows:

Swimwear and garment	– Manufacturing and trading of swimwear and garment products
E-commerce and on-line shopping related	– E-commerce and provision of on-line shopping
Money lending	– Money lending business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include other income, finance costs and corporate administrative and other operating expenses. Segment assets do not include goodwill, club debenture and other assets for general administrative use. Segment liabilities do not include other liabilities for general administrative use.

	(Unaudited)			
	Swimwear and garment <i>HK\$'000</i>	E-commerce and on-line shopping related <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 31 December 2024:				
Revenue from external customers	10,085	18,419	432	28,936
Segment (loss)/profit	(18)	(675)	574	(119)
As at 31 December 2024:				
Segment assets	7,466	39,607	19,935	67,008
Segment liabilities	26,889	12,413	–	39,302

	(Unaudited)			
	Swimwear and garment <i>HK\$'000</i>	E-commerce and on-line shopping related <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 31 December 2023:				
Revenue from external customers	10,534	13,218	408	24,160
Segment (loss)/profit	(524)	(902)	540	(886)
As at 31 December 2023:				
Segment assets	12,472	29,456	17,887	59,815
Segment liabilities	<u>29,235</u>	<u>1,249</u>	<u>–</u>	<u>30,484</u>

	(Unaudited)	
	Six months ended 31 December	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Reconciliation of segment profit or loss:		
Total profit or loss of reportable segments	(119)	(886)
Unallocated amounts		
Other income	1	2
Administrative expenses	(1,986)	(2,050)
Finance costs	<u>–</u>	<u>–</u>
Consolidated loss for the period	<u>(2,104)</u>	<u>(2,934)</u>

	(Unaudited) 31 December 2024 HK\$'000	(Audited) 30 June 2024 HK\$'000
Reconciliation of segment assets:		
Total assets of reportable segments	67,008	59,124
Other assets	3,448	1,703
	<hr/>	<hr/>
Consolidated total assets	70,456	60,827
	<hr/>	<hr/>
Reconciliation of segment liabilities:		
Total liabilities of reportable segments	39,302	27,778
Other liabilities	2,075	1,822
	<hr/>	<hr/>
Consolidated total liabilities	41,377	29,600
	<hr/>	<hr/>

5. REVENUE

The Group's revenue which represents sales of goods to customers and interest income from money lending business are as follows:

	(Unaudited) Six months ended 31 December 2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of swimwear and garment products	10,085	10,534
Sales of second hand mobile phones	18,419	13,218
	<hr/>	<hr/>
Revenue from contracts with customers recognised at a point in time	28,504	23,752
Revenue from other sources:		
Interest income from money lending business	432	408
	<hr/>	<hr/>
	28,936	24,160
	<hr/>	<hr/>

6. FINANCE COSTS

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Interest on lease liabilities	16	163

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required for the six months ended 31 December 2024 and 31 December 2023 since the Group has no assessable profit for the periods.

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging/(crediting) the following:

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Interest income	(203)	(154)
Depreciation of property, plant and equipment	277	336
Depreciation of right-of-use assets	490	479
Directors' remuneration	762	1,482
Government grant	(474)	(766)

9. LOSS PER SHARE

Basic profit/loss per share

For the six months ended 31 December 2024

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$2,096,000 (2023: HK\$2,883,000) and the weighted average number of ordinary shares of 801,535,615 (2023: 796,949,528) in issue during the period.

Diluted profit/loss per share

For the six months ended 31 December 2024

The exercise of the Group's outstanding convertible non-voting preference shares would be anti-dilutive for the six months ended 31 December 2024. The exercise of the Group's outstanding convertible non-voting preference shares and the effect of all potential ordinary shares would be anti-dilutive for the six months ended 31 December 2023. Diluted loss per share was the same as the basic loss per share for the six months ended 31 December 2024 and 31 December 2023.

10. DIVIDEND

The directors do not recommend the payment of dividend for the six months ended 31 December 2024 (2023: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2024, the Group have acquired property, plant and equipment HK\$777,000 (2023: Nil).

12. TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
Trade and bills receivables	40,656	27,816
Prepayments, deposits	1,065	1,091
Other receivables	145	145
	41,866	29,052

The Group's trading terms with customers are mainly on credit. The maximum credit terms granted to customers up to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade and bills receivables, based on invoice date, is as follows:

	(Unaudited)	(Audited)
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
Current to 30 days	11,092	4,507
31 – 90 days	4,924	4,626
91 – 180 days	6,170	5,097
Over 180 days	18,470	13,586
	40,656	27,816

13. TRADE AND OTHER PAYABLES

	(Unaudited)	(Audited)
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
Trade payables	13,785	1,677
Due to a substantial shareholder	100	100
Contract liabilities	547	591
Accruals and other payables	23,051	22,838
	37,483	25,206

The amount due to a substantial shareholder is unsecured, interest-free and has no fixed terms of payment.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	(Unaudited)	(Audited)
	31 December	30 June
	2024	2024
	HK\$'000	HK\$'000
Current to 30 days	8,714	949
31 – 90 days	4,372	17
91 – 180 days	–	–
Over 180 days	699	711
	13,785	1,677

14. SHARE CAPITAL

	(Unaudited) 31 December 2024 <i>HK\$'000</i>	(Audited) 30 June 2024 <i>HK\$'000</i>
Authorised:		
7,000,000,000 ordinary shares of HK\$0.10	700,000	700,000
2,000,000,000 convertible non-voting preference shares of HK\$0.15 each	300,000	300,000
312,500,000 series B convertible non-voting preference shares of HK\$0.16 each	50,000	50,000
	1,050,000	1,050,000
Issued and fully paid:		
801,535,615 (At 30 June 2024: 801,535,615) ordinary shares of HK\$0.10 each	80,154	80,154
1,083,333,333 convertible non-voting preference shares of HK\$0.15 each	162,500	162,500
166,693,518 (At 30 June 2024: 166,693,518) series B convertible non-voting preference shares of HK\$0.16 each	26,671	26,671
	269,325	269,325

A summary of the movements in the issued share capital of the Company is as follows:

<i>Note</i>	Number of ordinary shares of HK\$0.01 each '000	Number of convertible non-voting preference shares of HK\$0.15 each '000	Number of series B convertible non-voting preference shares of HK\$0.16 each '000	Par value HK'000
Authorised:				
As at 1 July 2023, as at 31 December 2023, as at 30 June 2024, as at 1 July 2024 and as at 31 December 2024	7,000,000	2,000,000	312,500	1,050,000
Issued and fully paid:				
As at 30 June 2023, as at 1 July 2023	792,746	1,083,333	182,093	270,910
Conversion of convertible non-voting preference shares into ordinary shares	(a) 8,790	–	(15,399)	(1,585)
As at 31 December 2023, as at 30 June 2024, as at 1 July 2024 and 31 December 2024	801,536	1,083,333	166,694	269,325

Note:

- (a) On 5 October 2023, 8,790,000 ordinary shares of HK\$0.10 each were issued as a result of the conversion of 15,398,982 series B convertible non-voting preference shares of HK\$0.16 each.

15. SEASONALITY

The Group's sales of swimwear and garment products are subject to seasonal fluctuations, with peak demand in the first quarter of each calendar year. This is due to high demand of swimwear and related garment products for the summer.

The Group's other operations are not subject to material seasonal fluctuations.

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 December 2024 (At 30 June 2024: Nil).

17. PENDING LITIGATIONS

- (a) On 19 January 2004, a winding up petition was filed against the Company by certain ex-senior employees of the Group claiming for payment in the sum of approximately HK\$594,000 from the Company in respect of an award/order dated 20 October 2003 granted by the Labour Tribunal in respect of the severance and bonus dispute between the Company and the ex-senior employees. The unsettled amounts of approximately HK\$594,000 were fully accrued in trade and other payables during the year ended 30 June 2005 and remain outstanding as at 30 June 2020 and 31 December 2020 even though the case had ceased to be active since the year ended 30 June 2005.
- (b) On 24 July 2018, Ratio Knitting Factory Limited ("Ratio"), a wholly-owned subsidiary of the Company, received a claim from a former director of Ratio for a total sum of approximately HK\$913,000 in respect of the salary and severance dispute between Ratio and the former director. The Company considered that she was not entitled to the said sum for the major reasons that her employment was terminated because of her misconducts and the termination payment made by Ratio to her was more than sufficient. The Company also commenced the action in the High Court against her for, inter alia, breach of fiduciary duties and contractual duties owed by her to Ratio. The Group seeks an order for damages and/or account of profit against her, which are subject to assessment.

18. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments at 31 December 2024 (At 30 June 2024: Nil).

19. RELATED PARTY TRANSACTIONS

Remuneration for key management personnel of the Group, including the executive directors was as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Wages and salaries	618	1,338
Retirement benefit schemes	9	9
	627	1,347

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

For the six months ended 31 December 2024 (the “Current Period”), loss attributable to owners of the Company was approximately HK\$2,096,000 (six months ended 31 December 2023: HK\$2,883,000), representing a decrease of approximately 27.30% over the corresponding period in 2023.

Gross profit for the Current Period was approximately HK\$4,642,000 (six months ended 31 December 2023: HK\$4,812,000).

For the Current Period, the Group’s unaudited total revenue amounted to approximately HK\$28,936,000 (six months ended 31 December 2023: HK\$24,160,000) representing an increase of approximately 19.77% over the corresponding period in 2023. Details of the increase in total revenue and decrease in gross profit are discussed below:

Manufacturing and trading of high end swimwear and garment products (“Swimwear and garment segment”)

The revenue generated from Swimwear and garment segment for the Current Period was approximately HK\$10,085,000 (six months ended 31 December 2023: HK\$10,534,000). Gross profit for the Current Period was approximately HK\$3,761,000 (six months ended 31 December 2023: HK\$4,008,000). Gross profit ratio for the Current Period was 37.29% (six months ended 31 December 2023: 38.05%). The decrease in revenue was due to seasonal fluctuations, as shipments for this year were mainly in the first quarter of the calendar year.

E-commerce and provision of on-line shopping (“E-commerce and on-line shopping related segment”)

The revenue generated for the Current Period was approximately HK\$18,419,000 (six months ended 31 December 2023: HK\$13,218,000). Gross profit for the Current Period was approximately HK\$449,000 (six months ended 31 December 2023: HK\$396,000). Gross profit ratio for the Current Period was 2.44% (six months ended 31 December 2023: 3.00%). The decrease in gross profit was due to weaker sales pricing as a result of the strong US dollar.

Money lending business (“Money lending segment”)

The revenue generated from Money lending segment for the Current Period was approximately HK\$432,000 (six months ended 31 December 2023: HK\$408,000). Gross profit for the Current Period was approximately HK\$432,000 (six months ended 31 December 2023: HK\$408,000). Gross profit ratio for the Current Period was 100% (six months ended 31 December 2023: 100%).

Interim dividend

The board of directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: Nil).

Operations

During the Current Period, the Group maintained an effective cost measures in controlling the cost structure of its operations. Besides, the Group will be extremely prudent in the expansion of its operations in an organic manner. We also believe that it is of the Group’s best interest to explore different sources of income while still maintains an effective and efficient overhead structure for our supporting departments in each of the business segments under operation.

Foreign Exchange Exposure

As most of the Group’s business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi, the Group’s exposure to exchange rate risk is limited. It is the Group’s treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

Capital Structure

As at 31 December 2024, issued and fully paid share capital of the Company included (a) 801,535,615 ordinary shares of HK\$0.10 each (At 30 June 2024: 801,535,615); (b) 1,083,333,333 CPS (At 30 June 2024: 1,083,333,333) of HK\$0.15 each; and (c) 166,693,518 Series B CPS (At 30 June 2024: 166,693,518) of HK\$0.16 each.

Employees and Remuneration Policy

As at 31 December 2024, the Group had 95 full time employees (At 30 June 2024: 95). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong and the People's Republic of China respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including Directors) and consultants to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

Contingent liabilities

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

Charge on Assets

As at 31 December 2024, the Group did not have any material charge on assets (At 30 June 2024: Nil).

PROSPECT

We expect that the Group's manufacturing and trading of swimwear and garment products segment will remain steady. The Group will continue to adopt costs cutting measures and is well position to capture the business opportunities from the market recovery. The Company is committed to maintaining this segment as the Group's principal business. The Company will continue to deepen its relationships with existing customers and will seek new business opportunities with new customers including domestic customers in China.

For the E-commerce and on-line shopping related segment, due to the strong US dollar, there was a downward pressure in the selling price of second hand mobile phones while the purchase costs remained still. There was also lower demand for high quality mobile phones. The Group will closely monitor the market challenges and to maintain this segment in healthy operation.

For the money leading business, the Group will continue to maintain and develop the business and to allocate sufficient resources to meet business demands.

SHARE SCHEMES

On 8 January 2025, the Company terminated the share option scheme adopted by the Company on 28 November 2017 (the "Share Option Scheme") and adopted a new restricted share unit scheme (the "Scheme"). As at 31 December 2024 and the date of its termination, no option was outstanding under the Share Option Scheme (2023: Nil).

The Company operates the Scheme for the purpose of incentivize the Directors, senior management, employees and service providers (the "Service Providers") for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The Board's discretion to prescribe a vesting period for which the RSU(s) must be held or performance target (if any) to be achieved before the RSU(s) can be vested and become convertible under the Scheme will provide the Board with more flexibility in setting the terms and conditions of the RSU(s) under particular circumstance of each grant so as to achieve the purpose of the Scheme.

The scheme mandate limit under the Scheme (the "Scheme Mandate Limit") restricts the maximum number of new Shares which may be allotted and issued in respect of all RSUs under the Scheme and all options and/or awards under any other share schemes of the Company to not exceeding 10% of the total number of issued Shares as at 18 December 2024 (being the date of the general meeting in which a resolution was passed by the Shareholders to adopt the Scheme, the "Adoption Date") or the relevant date of the Shareholders' approval of the refreshment of the Scheme Mandate Limit (excluding any treasury Shares) (the "Refreshment Date"). The Service Provider sublimit within the Scheme Mandate Limit under the Scheme means that the maximum number of new Shares which may be allotted and issued in respect of all RSUs under the Scheme and all options and/or awards under any other share schemes of the Company to the Service Providers shall not exceed 5% of the total number of issued Shares as at the Adoption Date or any applicable Refreshment Date. The maximum number of shares awarded to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at the time of such grant. Any further award of RSUs in excess of this limit is subject to Shareholders' approval in a general meeting.

On and subject to the terms of the Scheme, the Board or its Chairman (as the case may be) shall be entitled at any time during the term of the Scheme to make a grant to any Participant as it may in its absolute discretion determine. The amount of RSUs to be granted may be determined at the sole and absolute discretion of the Board or the Chairman (as the case may be) and may differ among selected Participants.

The offer of a grant of RSUs may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. An RSUs shall vest to its grantee at the expiry of its prescribed vesting period, which may not be less than 12 months where the grantee is a Service Provider.

DISCLOSURE OF INTERESTS

Interests in Securities of Directors and Chief Executive

As at 31 December 2024, none of the directors and chief executives of the Company has any interests and short positions in the shares ("Shares"), underlying Shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance, the Laws of Hong Kong (the "SFO")) which are required (a) 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 or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules relating to securities transaction by Directors.

Interests in Securities of Substantial Shareholders

As far as was known to any Director or chief executive of the Company, as at 31 December 2024, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be 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 member of the Group were as follows:

(i) Long positions in Shares

Name of Shareholder	Number of Shares	Type of interests	Approximate percentage of issued share capital (%) (Note 1)
Mr. Lau Chi Yuen, Joseph ("Mr. Lau")	149,754,199 (Note 2)	Personal & Corporate	18.68%
JL Investments Capital Limited	141,674,199	Beneficial	17.68%
Big Good Management Limited ("Big Good")	135,053,384	Beneficial	16.85%
Mr. Ma Hoi Cheuk ("Mr. Ma")	135,053,384 (Note 3)	Corporate	16.85%
Wide Select Investments Limited ("Wide Select")	126,642,000	Beneficial	15.80%
Mr. Lee Yim ("Mr. Lee")	126,642,000 (Note 4)	Corporate	15.80%

Notes:

- The percentage of issued share capital had been arrived at on the basis of a total of 801,535,615 Shares in issue as at 31 December 2024.
- These shares are held as to 8,080,000 shares by Mr. Lau personally and as to 141,674,199 shares by JL Investments Capital Limited ("JL Investments"), which is wholly-owned by Mr. Lau. Mr. Lau is deemed to be interested in the shares held by JL Investments.
- Big Good is wholly-owned by Mr. Ma who is deemed to be interested in underlying shares held by Big Good.
- Wide Select is wholly-owned by Mr. Lee who is deemed to be interested in underlying shares held by Wide Select.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any other person who had an interest or short positions in the shares or underlying shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

(ii) Long positions in the shares and underlying shares of equity derivatives of the Company

Name of Shareholder	Number of Shares	Type of interests	Approximate percentage of issued share capital (%) <i>(Note 1)</i>
Wide Select	237,435,165 <i>(Note 3 & 4)</i>	Beneficial	29.62%
Mr. Lee	237,435,165 <i>(Note 2)</i>	Corporate	29.62%

Notes:

1. see Note 1 on page 25.
2. see Note 4 on page 25.
3. Wide Select was the holder of 1,063,333,333 convertible non-voting preference shares of HK\$0.15 each which have no voting rights and are convertible into ordinary shares. Pursuant to the terms of the convertible non-voting preference shares, the conversion price of the outstanding convertible non-voting preference shares has been adjusted from HK\$1.20 per share to HK\$1.121 per share as a result of the Rights Issue. The said adjustment took effect on 19 August 2020, being the day next following the Record Date.

4. Wide Select was also the holder of 166,693,518 series B convertible non-voting preference shares of HK\$0.16 each which have no voting rights and are convertible into ordinary shares. Pursuant to the terms of the series B convertible non-voting preference shares, the conversion price of the outstanding series B convertible non-voting preference shares had been adjusted from HK\$0.30 to HK\$0.2803 per share as a result of the Rights Issue. The said adjustment took effect on 19 August 2020, being the day next following the Record Date.

As far as the Directors are aware, save as disclosed herein, as at 31 December 2024, no persons have short positions in shares or underlying shares of equity derivatives of the Company.

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

The Company had not redeemed any of its Shares during the Current Period. Neither the Company nor any of its subsidiaries had purchased or sold any Shares during the Current Period.

COMPETING INTERESTS

The Directors are not aware of, as at 31 December 2024, any business or interest of each Director, substantial shareholder and management shareholder (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules.

The primary duties of the audit committee are (i) to review the annual reports and accounts, half-year reports and quarterly reports and give advice and comments thereon to the Directors; and (ii) to review and supervise the financial reporting process and internal controls. The audit committee comprises three Independent Non-executive Directors of the Company.

The audit committee has reviewed the Group's unaudited results for the six months ended 31 December 2024.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the Current Period, the Company is in compliance with the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the six months ended 31 December 2024.

The Company has adopted the same code of conduct for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the code of conduct by the relevant employees was noted by the Company.

By Order of the Board
Luxey International (Holdings) Limited
Lau Chun Fat, George
Chairman

Hong Kong, 26 February 2025