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LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Six months ended 31 December		Increase
	2024	2023	
	HK\$'M	HK\$'M	
Revenue	2,681	2,659	1%
Gross profit	634	582	9%
Profit for the period	188	129	46%
	HK\$	HK\$	
Basic earnings per share	0.80	0.55	45%
Interim dividend per share	0.15	0.13	15%
	As at	As at	
	31 December 2024	30 June 2024	
	HK\$'M	HK\$'M	
Total equity	3,010	2,904	4%

The Board of Directors (the “Board”) of Lam Soon (Hong Kong) Limited (the “Company”) would like to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2024.

OVERVIEW

As 2024 came to an end, enduring economic challenges continued to cast a shadow over the global stage. The likelihood of a slowdown in interest rate cuts and escalating geopolitical tensions have influenced global economic growth. China, too, saw divergent growth patterns in 2024. Consumer spending remained cautious as consumption behaviour continually evolved in response to intense pricing competition in various sectors, including the segments in which the Group operates.

Amidst these market headwinds, and as we diligently execute cost-saving programs across the board, both the Group's Food and Home Care segments have focused on enhancing our products and portfolio through targeted R&D initiatives. This has enabled us to adapt to market dynamics efficiently and to strengthen our presence in the core markets, while exploring new opportunities. Additionally, we have remained steadfast in our strategy to solidify our position in the premium market segment to ensure differentiation for pricing resilience and sustaining our margins. Alongside a favourable commodity pricing trends and stable supply during the period, the Group has, as a result, achieved profit growth for the first half of FY2024/25, and maintained strong cash flow.

SUMMARY OF FINANCIAL RESULTS

The Group recorded a marginal increase in revenue by 1% to HK\$2,681 million compared to the previous corresponding period. Gross profit margin continued to improve by 1.7% to 23.6%, mainly due to favourable trend in wheat and oil prices, in addition to sales mix optimisation, and production cost efficiency. As a result of the above factors coupled with prudent cost management, the Group's profit for the period increased by 46% to HK\$188 million.

As at 31 December 2024, the Group's cash balance was at HK\$1,896 million, representing an increase of 11% as compared to the previous financial year end. In light of our liquidity and strong financial position, we will continue to not only protect our business fundamentals but also look for the right opportunities for transformation and growth.

INTERIM DIVIDEND

The Board had declared an interim dividend of HK\$0.15 per share, amounting to approximately HK\$37 million, for the financial year ending 30 June 2025 (2023/24 interim dividend: HK\$0.13 per share amounting to approximately HK\$32 million), which will be payable on Wednesday, 19 March 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 7 March 2025.

BUSINESS REVIEW

Food Segment

Food segment's revenue declined by 1% to HK\$2,212 million whereas its operating profit increased by 54% to HK\$194 million.

During the first half of the financial year, the Flour division experienced a challenging market landscape, marked by heightened price competition and reduced demand from institutional customers across Mainland China and Hong Kong. Despite various pressures, we have focused on optimising gross profit by tactically executing prudent commodity procurement strategies, while stepping up efforts to safeguard demands from key customers and extend regional distribution networks. Favourable impact from the commodity market has helped to protect profit margins during the period. Together with an enhanced premium product mix strategy and disciplined cost-saving measures, the division has witnessed a significant year-on-year profit improvement for the six months ended 31 December 2024.

The premium bakery segment maintained stable growth during the period, driven by a robust performance of our high-end Flour. Our emphasis on premium product segment reinforced margin resilience and value differentiation. Our Specialty Fats business has accelerated growth momentum, with customer base and product portfolio continually strengthened. Looking ahead, the Group looks for these two revenue streams to forge stronger synergy in terms of product, sales channel and customer value creation and convert to drive growth.

BUSINESS REVIEW *(continued)*

Food Segment *(continued)*

Despite facing challenges such as shrinking demand and keen pricing pressure from competition, the Group's Oil division continued to achieve steady growth. Particularly notable was the division's strong performance in the Hong Kong market and new retail channels in Mainland China. Festive marketing campaigns focused on our core brand "Knife" increased sales and profitability. Additionally, favourable material cost also contributed to the profit growth of this division. In response to increasing consumer demand, the exploration of high-end new oil products continued to progress. The launch of new products will not only help to expand our market presence beyond the Greater Bay Area, but also draws new customer traffic and boosts sales.

Home Care Segment

Revenue of Home Care segment grew by 10% to HK\$469 million while operating profit increased by 23% to HK\$54 million. We achieved revenue growth in spite of softer demand and heightened competition in the core markets, as our strategic product and distribution initiatives continued to bear fruit. Sales growth, combined with programs to optimise supply chain costs and marketing expenses, helped improve the segment's underlying profitability.

In Mainland China, our efforts to deepen penetration in core markets, diversify product range, and broaden our geographical footprint continued to gain momentum. Within the core South China markets, we further solidified AXE and Labour brands' market positions with existing and new products, enhancing their image as multi-category brands in consumer minds. Beyond South China, investment in selected cities has been stepped up to encourage product trial and repeat purchases. NPDs in new categories will be sustained for the rest of the financial year.

In the more mature Hong Kong market, we continued to cement our brand presence and market share leadership with new products in core and adjacent categories to cater for evolving consumer needs and cement our market position. As we continue to cross-sell and drive NPD penetration within our established distribution channels, we will also invest in corresponding marketing programs to elevate our brand equity and drive repeat purchases.

In November 2024 we have embarked on the new home care plant in Conghua, Guangdong, PRC to scale up production capacity and R&D capabilities to support our expansion plan. The expected business commencement will be in FY2026/27.

OUTLOOK

In the face of a murky global economic outlook for 2025, exacerbated by risks from global trade protectionist actions which are expected to disrupt trade flows and slowdown interest rate cuts, cautious optimism prevails. The Group will continue its commitment to vigilance, focusing on cost efficiencies, supply chain optimisation, and prudent marketing strategies amidst subdued consumer confidence in our region. Safeguarding profit margins through premiumisation strategies and reinforcing R&D for product innovation will be our central priorities to sustain market relevance and brand strength. These strategic manoeuvres, the Group believes, will best enable us to navigate uncertainties, ensure business resilience, and foster enduring success.

FINANCIAL REVIEW

Liquidity and Financial Resources

At 31 December 2024, the Group had a cash balance of HK\$1,896 million (30 June 2024: HK\$1,706 million). About 61% of the balance was denominated in Renminbi, 27% in Hong Kong dollars and 11% in United States dollars.

Banking facilities available to Group companies and not yet drawn as at 31 December 2024 amounted to HK\$583 million (30 June 2024: HK\$585 million).

The Group centralises all the financing and treasury activities at the corporate level. There are internal controls over the application of financial and hedging instruments which can only be employed to manage and mitigate the commodity price risk and currency risk for trade purposes.

At 31 December 2024, the inventory turnover days were 64 days (30 June 2024: 67 days). The trade receivable turnover days were 22 days (30 June 2024: 24 days).

In view of the strong liquidity and financial position, management believes the Group will have sufficient resources to fund its daily operations and capital expenditure commitments.

Foreign Currency Exposure

The Group has operations in Mainland China, Hong Kong and Macau. Local costs and revenue are primarily denominated in Renminbi, Hong Kong dollars, and Macau Patacas.

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group monitors its exposure by considering factors including, but not limited to, exchange rate movement of the relevant foreign currencies as well as the Group's cash flow requirements to ensure that its foreign exchange exposure is kept at an acceptable level.

Equity Price Exposure

The Group maintains an investment portfolio which comprises equity securities listed in Hong Kong for investment yield enhancement purpose. Equity investments are subject to asset allocation limits.

Capital Expenditure

During the six months ended 31 December 2024, the Group invested a total sum of HK\$33 million (2023: HK\$26 million) on acquisition of plant equipment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2024 (Unaudited)

	Note	<u>2024</u> <i>HK\$'000</i>	<u>2023</u> <i>HK\$'000</i>
Revenue	3	2,680,504	2,659,166
Cost of sales		<u>(2,046,834)</u>	<u>(2,076,867)</u>
Gross profit		633,670	582,299
Other income		29,655	30,801
Selling and distribution expenses		(315,357)	(351,095)
Administrative expenses		(113,994)	(103,689)
Profit from operations		233,974	158,316
Finance costs	4	(163)	(131)
Profit before taxation	4	233,811	158,185
Taxation	5	(45,626)	(29,312)
Profit for the period		188,185	128,873
Earnings per share			
Basic and diluted	7	HK\$0.80	HK\$0.55

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024 (Unaudited)

	<u>2024</u> <i>HK\$'000</i>	<u>2023</u> <i>HK\$'000</i>
Profit for the period	188,185	128,873
Other comprehensive income for the period (net of nil tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net movement in fair value reserve (non-recycling)	6,264	(6,500)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	(19,895)	38,449
Other comprehensive income for the period	(13,631)	31,949
Total comprehensive income for the period	174,554	160,822

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Note</i>	At 31 December 2024 (Unaudited) <i>HK\$'000</i>	At 30 June 2024 (Audited) <i>HK\$'000</i>
Non-current assets			
Leasehold land and property, plant and equipment		718,120	737,745
Intangible assets and goodwill		10,727	8,530
Other financial assets	8	5,696	52,364
Deferred tax assets		11,677	11,897
Other non-current assets		18,159	1,702
		<u>764,379</u>	<u>812,238</u>
Current assets			
Inventories		695,911	637,948
Trade and other receivables	9	406,300	367,935
Other financial assets	8	-	22,032
Cash and deposits		1,896,453	1,706,444
		<u>2,998,664</u>	<u>2,734,359</u>
Current liabilities			
Trade and other payables	10	673,309	581,018
Contract liabilities		14,926	17,173
Tax payables		24,558	17,389
Lease liabilities		3,857	2,615
		<u>716,650</u>	<u>618,195</u>
Net current assets		<u>2,282,014</u>	<u>2,116,164</u>
Total assets less current liabilities		<u>3,046,393</u>	<u>2,928,402</u>
Non-current liabilities			
Deferred tax liabilities		23,852	20,903
Lease liabilities		10,275	1,333
Long service payment liabilities		1,864	1,943
		<u>35,991</u>	<u>24,179</u>
NET ASSETS		<u>3,010,402</u>	<u>2,904,223</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**At 31 December 2024*

	<i>Note</i>	At 31 December 2024 (Unaudited) <i>HK\$'000</i>	At 30 June 2024 (Audited) <i>HK\$'000</i>
CAPITAL AND RESERVES			
Share capital		672,777	672,777
Reserves		2,337,625	2,231,446
TOTAL EQUITY		3,010,402	2,904,223

Notes:

1. Basis of preparation

The preliminary announcement of the Company's interim results has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial statements included in this announcement has been prepared in accordance with the same accounting policies adopted in the 2023/24 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024/25 annual financial statements. Details of any changes in accounting policies are set out in note 2.

This announcement contains condensed consolidated financial statements 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 2023/24 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information in this announcement is unaudited. The financial information relating to the financial year ended 30 June 2024 that is included in this preliminary announcement of the interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the condensed consolidated financial statements included in this announcement for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sales and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures - Supplier finance arrangements*

Notes:

2. Changes in accounting policies (continued)

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed consolidated financial statements included in this announcement. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, the Group has two reportable segments, as described below. Businesses in each reporting segment have similar operating and currency risks, class of customer for products, distribution channels and safety regulation. The following summary describes the operations in each segment:

Food: manufacture and distribution of a wide range of food products including flour, edible oils and specialty fats.

Home Care: manufacture and distribution of household and institutional cleaning products.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
- Sales of goods	<u>2,680,504</u>	<u>2,659,166</u>
Disaggregated by geographical location of customers		
- Hong Kong and Macau	368,726	379,470
- Mainland China	<u>2,311,778</u>	<u>2,279,696</u>
	<u>2,680,504</u>	<u>2,659,166</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

Notes:

3. Revenue and segment reporting (continued)

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management is set out below:

	Six months ended 31 December					
	2024 (Unaudited)			2023 (Unaudited)		
	Food HK\$'000	Home Care HK\$'000	Segment Total HK\$'000	Food HK\$'000	Home Care HK\$'000	Segment Total HK\$'000
Disaggregated by timing of revenue recognition on point in time						
Revenue from external customers	<u>2,211,834</u>	<u>468,670</u>	<u>2,680,504</u>	<u>2,232,244</u>	<u>426,922</u>	<u>2,659,166</u>
Reportable segment profit from operations	<u>194,360</u>	<u>54,425</u>	<u>248,785</u>	<u>126,401</u>	<u>44,408</u>	<u>170,809</u>
	At 31 December 2024 (Unaudited)			At 30 June 2024 (Audited)		
	Food HK\$'000	Home Care HK\$'000	Segment Total HK\$'000	Food HK\$'000	Home Care HK\$'000	Segment Total HK\$'000
Reportable segment assets	<u>2,446,243</u>	<u>386,318</u>	<u>2,832,561</u>	<u>2,525,838</u>	<u>381,447</u>	<u>2,907,285</u>
Reportable segment liabilities	<u>549,638</u>	<u>158,816</u>	<u>708,454</u>	<u>502,800</u>	<u>138,976</u>	<u>641,776</u>

The measure used for reporting segment profit is "profit from operations". To arrive at "profit from operations", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs.

Notes:

3. Revenue and segment reporting (continued)

(c) **Reconciliations of reportable segment profit or loss**

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	<u>HK\$'000</u>	<u>HK\$'000</u>
Reportable segment profit from operations	248,785	170,809
Unallocated exchange gains	522	586
Unallocated net realised and unrealised losses on derivative financial instruments	(985)	-
Unallocated interest income on financial assets measured at amortised cost	13,673	10,956
Dividend income from equity securities	3,628	5,087
Unallocated head office and corporate expenses	(31,649)	(29,122)
Finance costs	(163)	(131)
	<u>233,811</u>	<u>158,185</u>
Consolidated profit before taxation	<u>233,811</u>	<u>158,185</u>

4. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	<u>HK\$'000</u>	<u>HK\$'000</u>
Finance costs		
Interest on lease liabilities	<u>163</u>	<u>131</u>
Staff costs		
Salaries, wages and other benefits	230,291	216,322
Share-based payment (forfeiture)/expenses, net	(4,586)	1,291
(Reversal of expenses)/expenses recognised in respect of long service payments	(77)	1,875
Contribution to defined contribution retirement plans	<u>18,715</u>	<u>17,702</u>
	<u>244,343</u>	<u>237,190</u>

Notes:

4. Profit before taxation *(continued)*

Profit before taxation is arrived at after charging/(crediting): *(continued)*

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	<u>HK\$'000</u>	<u>HK\$'000</u>
Depreciation and amortisation		
Leasehold land and property, plant and equipment	35,535	35,691
Intangible assets	986	479
	<u>36,521</u>	<u>36,170</u>
Other items		
Interest income on financial assets measured at amortised cost	(24,190)	(22,557)
Dividend income from equity securities	(3,628)	(5,087)
Net exchange gains	(876)	(893)
Net losses/(gains) on disposal of property, plant and equipment	64	(13)
Write-down/(reversal of write-down) of inventories	779	(1,243)
Fair value loss on club membership	30	550
Net realised and unrealised losses/(gains) on derivative financial instruments <i>(note (i))</i>	1,010	(68)
Government grants	(624)	(1,371)

Note:

- (i) During the six months ended 31 December 2024 and 2023, the Group entered into various foreign exchange forward contracts to manage its foreign currency risk exposures.

Notes:

5. Taxation

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 31 December	
	2024	2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Hong Kong Profits Tax	6,739	4,575
Current tax – Outside Hong Kong	35,840	16,257
Deferred taxation	3,047	8,480
	<u>45,626</u>	<u>29,312</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2023: 16.5%) to the respective estimated assessable profits of companies within the Group operating in Hong Kong for the six months ended 31 December 2024, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Taxation for subsidiaries operating in Mainland China and Macau is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the respective regions.

All entities engaged in the primary processing of agricultural products in Mainland China are exempted from PRC corporate income tax (“CIT”). As a result, the profits from flour mill operations are exempted from CIT for the six months ended 31 December 2024 and 2023.

Other subsidiaries operating in Mainland China are subject to CIT tax rate of 25% (2023: 25%).

In addition, the Group is subject to withholding tax at the applicable rate of 5% on distribution of profits generated after 31 December 2007 from the foreign investment enterprises established in Mainland China. Deferred tax liabilities have been provided for in this regard based on the expected distributable dividends by its subsidiaries established in Mainland China in respect of profits generated after 31 December 2007.

Notes:

6. Dividends

- (a) **Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the interim period**

	Six months ended 31 December	
	2024	2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared and paid after the interim period of HK\$0.15 (2023: HK\$0.13) per ordinary share	35,208	30,527

The interim dividend has not been recognised as a liability at the end of the reporting period.

- (b) **Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the previous financial year, approved and paid during the interim period**

	Six months ended 31 December	
	2024	2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$0.27 (2023: HK\$0.20) per ordinary share	63,376	46,976

Notes:

7. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period of HK\$188,185,000 (2023: HK\$128,873,000) and the weighted average number of 234,739,000 (2023: 234,898,000) ordinary shares in issue during the interim period.

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	'000	'000
Issued ordinary shares at beginning of period	243,354	243,354
Effect of shares purchased in prior years	(13,758)	(13,584)
Effect of shares purchased in current period	(32)	(47)
	(13,790)	(13,631)
Effect of shares options exercised in prior years	5,175	5,175
Weighted average number of ordinary shares at end of period	234,739	234,898

(b) Diluted earnings per share

The diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 31 December 2024 and 2023.

Notes:

8. Other financial assets

		At 31 December 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
Debt securities measured at amortised cost	<i>(i)</i>	-	22,032
Equity securities designated at fair value through other comprehensive income (“FVOCI”) (non-recycling):			
- Equity securities listed in Hong Kong	<i>(ii)</i>	5,454	52,092
Financial assets measured at fair value through profit or loss:			
- Club membership		242	272
		5,696	74,396
Representing:			
- Non-current assets		5,696	52,364
- Current assets		-	22,032
		5,696	74,396

Notes:

- (i) At 30 June 2024, the debt securities were unsecured, bearing fixed interest rates at 2.8% per annum and matured during the six months ended 31 December 2024.
- (ii) The equity securities designated at FVOCI (non-recycling) include the listed equity securities of HK\$5,454,000 (30 June 2024: HK\$52,092,000). The Group designated these investments as equity securities at FVOCI (non-recycling), as the investments are held for investment yield enhancement purpose.

During the six months ended 31 December 2024, the Group disposed part of the equity securities. The fair value on the date of disposal was HK\$52,902,000 (2023: HK\$Nil).

Notes:

9. Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 31 December 2024 (Unaudited) <i>HK\$'000</i>	At 30 June 2024 (Audited) <i>HK\$'000</i>
Within 3 months	347,076	309,892
3 to 6 months	2,892	2,406
Over 6 months	123	19
Trade receivables, net of loss allowance	350,091	312,317
Other receivables, deposits and prepayments	56,209	54,846
Derivative financial instruments:		
- Foreign exchange forward contracts	-	772
	406,300	367,935

10. Trade and other payables

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 31 December 2024 (Unaudited) <i>HK\$'000</i>	At 30 June 2024 (Audited) <i>HK\$'000</i>
Within 3 months	421,814	303,272
More than 3 months	6,063	605
Trade payables	427,877	303,877
Deposits received	9,914	13,788
Other payables and accruals	232,706	260,405
Deferred income	2,675	2,948
Derivative financial instruments:		
- Foreign exchange forward contracts	137	-
	673,309	581,018

REVIEW BY BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

The unaudited interim results for the six months ended 31 December 2024 have been reviewed by the Board Audit and Risk Management Committee of the Company. The information in these interim results does not constitute statutory accounts.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted a Corporate Governance Code which is based on the principles set out in Appendix C1 (the “HKEX Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. During the period, the Company has complied with all applicable code provisions of the HKEX Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the period, a wholly-owned subsidiary of the Company, as the trustee for a trust set up for the purpose of acquiring shares of the Company to satisfy the exercise of share options which were granted pursuant to the Executive Share Option Scheme effective from 25 April 2013 but expired on 24 April 2023 and the share options which may be granted pursuant to the Executive Share Scheme effective from 13 November 2024, purchased 49,000 shares of the Company on The Stock Exchange of Hong Kong Limited at a total consideration of HK\$413,000.

Save as disclosed above, during the period, neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed shares and the Company did not redeem any of its listed shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Friday, 7 March 2025, on such date no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar and Transfer Office — Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 March 2025.

By Order of the Board
LAM Hiu Lam
Company Secretary

Hong Kong, 19 February 2025

As at the date of this announcement, the Board of the Company comprises:

Chairman:

Mr. KWEK Leng Hai

Executive Director:

Mr. CHIU Chao Hsiang, James –

Chief Executive Officer

Independent Non-Executive Directors:

Mr. Lester G. HUANG, SBS, JP

Ms. HO Yuk Wai, Joan

Ms. CHEUNG Man Ying

Non-Executive Directors:

Mr. Christian K. NOTHHAFT

Dr. WHANG Sun Tze