



LUXKING GROUP HOLDINGS LIMITED

(Incorporated in Bermuda)

UNAUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2024

A. Condensed interim and full year consolidated statement of profit or loss and other comprehensive income.

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024	2023	+ / (-)	2024	2023	+ / (-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	262,865	232,233	13.2%	553,526	495,754	11.7%
Cost of sales	(226,912)	(203,070)	11.7%	(468,261)	(435,730)	7.5%
Gross profit	35,953	29,163	23.3%	85,265	60,024	42.1%
Other income	1,560	757	106.1%	1,813	1,303	39.1%
Selling and distribution costs	(13,241)	(10,037)	31.9%	(25,448)	(21,095)	20.6%
Administrative expenses	(21,377)	(15,290)	39.8%	(40,475)	(34,444)	17.5%
Other operating expenses	(1,395)	158	n/m	(2,026)	(192)	955.2%
Finance costs	(1,847)	(2,916)	(36.7%)	(3,962)	(4,577)	(13.4%)
(Loss)/profit before income tax	(347)	1,835	n/m	15,167	1,019	1,388.4%
Income tax expense	(2,966)	(226)	n/m	(4,837)	(1,929)	150.8%
(Loss)/profit for the period/year	(3,313)	1,609	n/m	10,330	(910)	n/m
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translation of financial statements of foreign operations	(47)	1,025	n/m	(293)	1,028	n/m
Total comprehensive income attributable to the owners of the Company	(3,360)	2,634	n/m	10,037	118	n/m
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the period/year						
- Basic and diluted (RMB)	(0.2619)	0.1272	n/m	0.8166	(0.0719)	n/m

n/m: not meaningful

B. Full year statements of financial position

	Group		Company	
	As at	As at	As at	As at
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	78,745	62,586	-	-
Right-of-use assets	25,162	20,270	-	-
Interests in subsidiaries	-	-	84,472	90,904
Deposits for acquisition of property, plant and equipment	746	2,845	-	-
	104,653	85,701	84,472	90,904
Current assets				
Inventories	94,607	84,222	-	-
Trade receivables	91,311	77,772	-	-
Prepayments, deposits and other receivables	21,414	22,666	10	4
Restricted bank deposits	2,602	-	-	-
Cash and bank balances	32,115	24,012	-	-
	242,049	208,672	10	4
TOTAL ASSETS	346,702	294,373	84,482	90,908
EQUITY AND LIABILITIES				
Equity attributable to the owners of the Company				
Share capital	133,557	133,557	133,557	133,557
Reserves	(340)	(10,377)	(50,397)	(44,044)
Total equity	133,217	123,180	83,160	89,513
Current liabilities				
Trade payables	48,240	35,139	-	-
Accrued expenses and other payables	18,344	16,787	1,322	1,395
Lease liabilities	3,039	1,723	-	-
Bank borrowings, secured	124,298	104,808	-	-
Income tax payables	3,554	515	-	-
	197,475	158,972	1,322	1,395
Non-current liabilities				
Lease liabilities	4,368	322	-	-
Deferred income	11,642	11,899	-	-
	16,010	12,221	-	-
Total liabilities	213,485	171,193	1,322	1,395
TOTAL EQUITY AND LIABILITIES	346,702	294,373	84,482	90,908

C. Full year statements of changes in equity

	Group					
	Share capital	Share premium*	Other reserves*	Exchange reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1.7.2022	133,557	33,961	14,635	(16,564)	(42,527)	123,062
Loss for the year	-	-	-	-	(910)	(910)
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	1,028	-	1,028
Total comprehensive income for the year	-	-	-	1,028	(910)	118
Appropriation to other reserve	-	-	692	-	(692)	-
At 30.6.2023 and 1.7.2023	133,557	33,961	15,327	(15,536)	(44,129)	123,180
Profit for the year	-	-	-	-	10,330	10,330
Other comprehensive income, net of income tax						
- Exchange loss on translation of financial statements of foreign operations	-	-	-	(293)	-	(293)
Total comprehensive income for the year	-	-	-	(293)	10,330	10,037
Appropriation to other reserve	-	-	1,242	-	(1,242)	-
At 30.6.2024	133,557	33,961	16,569	(15,829)	(35,041)	133,217

* These reserve accounts comprise the consolidated reserves of a deficit of approximately RMB340,000 (2023: RMB10,377,000) in the consolidated statement of the financial position.

C. Full year statements of changes in equity

	Company				
	Share capital	Share premium*	Exchange reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1.7.2022	133,557	33,961	(33,184)	(46,794)	87,540
Loss for the year	-	-	-	(4,676)	(4,676)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RMB	-	-	6,649	-	6,649
Total comprehensive income for the year	-	-	6,649	(4,676)	1,973
At 30.6.2023 and 1.7.2023	133,557	33,961	(26,535)	(51,470)	89,513
Loss for the year	-	-	-	(5,445)	(5,445)
Other comprehensive income, net of income tax					
- Exchange loss on translation of the Company's financial statements to RMB	-	-	(908)	-	(908)
Total comprehensive income for the year	-	-	(908)	(5,445)	(6,353)
At 30.6.2024	133,557	33,961	(27,443)	(56,915)	83,160

* These reserve accounts comprise Company's reserves of a deficit of approximately RMB50,397,000 (2023: RMB44,044,000) in the Company's statement of the financial position.

D. Consolidated full year statement of cash flows

	Group	
	Year	Year
	ended	ended
	30.6.2024	30.6.2023
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before income tax	15,167	1,019
Adjustments for:		
Interest income	(58)	(36)
Interest expenses	3,962	4,577
Depreciation of property, plant and equipment	12,275	12,627
Depreciation of right-of-use assets	3,534	3,824
Government grants	(257)	(256)
Inventories (write-back)/write-down	(103)	2,714
Gain on disposal of property, plant and equipment	-	(40)
Impairment loss on trade receivables	797	-
Bad debts written off	-	60
Operating profit before working capital changes	35,317	24,489
(Increase)/decrease in inventories	(10,282)	1,035
(Increase)/decrease in trade receivables	(14,403)	763
Decrease in prepayments, deposits and other receivables	1,238	3,591
Increase/(decrease) in trade payables	13,101	(8,999)
Increase in accrued expenses and other payables	1,577	3,344
Cash generated from operations	26,548	24,223
Interest received	58	36
Income taxes paid	(1,798)	(2,420)
Net cash generated from operating activities	24,808	21,839
Cash flows from investing activities		
Increase in restricted bank deposits	(2,602)	-
Deposits paid for acquisition of property, plant and equipment	-	(2,016)
Purchases of property, plant and equipment	(26,335)	(16,459)
Proceeds from disposal of property, plant and equipment	-	46
Net cash used in investing activities	(28,937)	(18,429)
Cash flows from financing activities		
Interest paid on bank borrowings	(3,816)	(4,380)
Proceeds from bank borrowings	135,940	110,427
Repayments of bank borrowings	(116,450)	(111,621)
Repayments of principal portion of lease liabilities	(3,097)	(3,329)
Interest paid on lease liabilities	(146)	(197)
Net cash generated from/(used in) financing activities	12,431	(9,100)
Net increase/(decrease) in cash and cash equivalents	8,302	(5,690)
Cash and cash equivalents at beginning of year	24,012	29,554
Effect of foreign exchange rate changes, net	(199)	148
Cash and cash equivalents at end of year	32,115	24,012
Analysis of balances of cash and cash equivalents		
Cash and bank balances	32,115	24,012

E. NOTES TO THE CONDENSED INTERIM AND FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Corporate Information

Luxking Group Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The principal place of business of the Company is located at Unit 6, 12/F, Tower A, New Mandarin Plaza, 14 Science Museum Road, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

The principal activity of the Company is investment holding. Principal activities of the Company’s subsidiaries are production and trading of adhesive tapes and BOPP films, trading of polypropylene resin and investment holding.

The operations of the Company and its subsidiaries (the “Group”) are principally conducted in the People’s Republic of China, excluding Hong Kong and Macau (the “PRC”), and Hong Kong.

2. Basis of preparation

The condensed interim and full year financial statements for the six and twelve months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standard Board. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the financial year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim and full year financial statements are presented in Renminbi (“RMB”), being the presentation currency of the Group. The functional currency of the Company is Hong Kong dollar (“HK\$”). In order to be consistent with the consolidated financial statements, the presentation currency of the Company is also RMB. Amounts are rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

During the year, the Group has adopted all the new and amended IFRSs which are first effective for the reporting period and relevant to the Group as follows:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 21	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform - Pillar Two Model Rules

The application of the new and amendments to IFRS Accounting Standards in the current year 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 consolidated financial statements.

2.2 Use of judgements and estimates

In preparing the condensed and full year financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the financial year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segmental reporting

The Group has identified the following reportable segments:

Manufacture of general purpose adhesive tapes ("General tapes") – manufacture and distribution of adhesive tapes such as stationary tapes, masking tapes and double-sided tapes for industrial, commercial and customer uses.

Manufacture of industrial specialty tapes ("IS tapes") – manufacture and distribution of adhesive tapes designed for more sophisticated industrial application such as manufacturing and/or assembly processes, especially used for mobile and electronic appliance.

Manufacture of biaxially oriented polypropylene films ("BOPP films") – manufacture and distribution of BOPP films for packaging in industries, such as food, pharmaceutical, medical and electrical industries.

Trading of tapes – distribution of General tapes and IS tapes in Hong Kong and overseas markets.

Each of these operating segments is managed separately as each of these product lines requires different resources as well as marketing approaches. The executive directors regularly review revenue, gross profit margin and operating results of each operating segment.

- (i) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below:

	Manufacture of			Trading of	Eliminations RMB'000	Group RMB'000
	General tapes RMB'000	IS tapes RMB'000	BOPP films RMB'000	tapes RMB'000		
6 months ended 30 June 2024						
Revenue from external	60,027	85,269	91,504	26,065	-	262,865
Inter-segment sales	19,176	5,721	-	-	(24,897)	-
Reportable segment revenue	79,203	90,990	91,504	26,065	(24,897)	262,865
Reportable segment profit	2,144	2,215	1,996	1,238	-	7,593
12 months ended 30 June 2024						
Revenue from external	122,901	178,159	194,811	57,655	-	553,526
Inter-segment sales	42,384	12,459	-	-	(54,843)	-
Reportable segment revenue	165,285	190,618	194,811	57,655	(54,843)	553,526
Reportable segment profit	7,610	8,541	8,556	2,656	-	27,363
Reportable segment assets	105,323	132,185	65,464	8,793	-	311,765
Corporate assets:						
Cash and bank balances						32,115
Restricted bank deposits						2,602
Other financial assets						220
Consolidated total assets						346,702
Additions to non-current segment assets						
Property, plant and equipment	8,523	9,842	10,069	-	-	28,434
Right-of-use assets	2,535	2,928	2,996	-	-	8,459
	11,058	12,770	13,065	-	-	36,893
Reportable segment liabilities	25,262	29,171	29,844	-	-	84,277
Corporate liabilities:						
Bank borrowings						124,298
Other financial liabilities						1,356
Income tax payables						3,554
Consolidated total liabilities						213,485

	Manufacture of			Trading of		Group
	General tapes	IS tapes	BOPP films	tapes	Eliminations	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
6 months ended 30 June 2023						
Revenue from external	47,269	70,270	86,649	28,045	-	232,233
Inter-segment sales	22,354	4,678	-	-	(27,032)	-
Reportable segment revenue	69,623	74,948	86,649	28,045	(27,032)	232,233
Reportable segment profit	1,103	2,373	2,546	798	-	6,820
12 months ended 30 June 2023						
Revenue from external	99,774	147,214	188,620	60,146	-	495,754
Inter-segment sales	45,828	12,157	-	-	(57,985)	-
Reportable segment revenue	145,602	159,371	188,620	60,146	(57,985)	495,754
Reportable segment profit	2,056	3,432	4,088	1,619	-	11,195
Reportable segment assets	77,269	103,775	82,312	6,897	-	270,253
Corporate assets:						
Cash and bank balances						24,012
Other financial assets						108
Consolidated total assets						294,373
Additions to non-current segment assets						
Property, plant and equipment	5,619	6,104	7,224	-	-	18,947
Right-of-use assets	200	217	257	-	-	674
	5,819	6,321	7,481	-	-	19,621
Reportable segment liabilities	19,113	20,762	24,568	-	-	64,443
Corporate liabilities:						
Bank borrowings						104,808
Other financial liabilities						1,427
Income tax payables						515
Consolidated total liabilities						171,193

- (ii) The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	6 months ended 30 June		12 months ended 30 June	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Reportable segment profit	7,593	6,820	27,363	11,195
Interest income	30	18	58	36
Unallocated corporate expenses	(6,123)	(2,087)	(8,292)	(5,635)
Finance costs	(1,847)	(2,916)	(3,962)	(4,577)
(Loss)/profit before income tax	(347)	1,835	15,167	1,019

- (iii) The Group's revenue from external customers and non-current assets are divided into the following geographical areas:

	Revenue from external customers		Revenue from external customers	
	6 months ended 30 June		12 months ended 30 June	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	233,777	204,187	489,578	435,607
Hong Kong	1,227	903	2,293	2,205
Other countries	27,861	27,143	61,655	57,942
	262,865	232,233	553,526	495,754

Geographical location of customers is based on the location at which the goods are delivered whilst that of non-current assets is based on the physical location of the asset.

- (iv) Revenue from the major customers with whom transactions have exceeded 10% of the Group's revenue is as follows:

There is no single customer that contributed to 10% or more of the Group's revenue for the year ended 30 June 2024 (year ended 30 June 2023: nil) and 6 months ended 30 June 2024 (6 months ended 30 June 2023: nil) respectively.

- (v) A breakdown of sales and operating profit/(loss) after tax:

	Group		
	Year ended	Year ended	
	30.6.2024	30.6.2023	
	RMB'000	RMB'000	%
(a) Sales reported for the 1st half year	290,661	263,521	10.3%
(b) Operating profit/(loss) after tax for the 1st half year	13,643	(2,519)	n/m
(c) Sales reported for the 2nd half year	262,865	232,233	13.2%
(d) Operating (loss)/profit after tax for the 2nd half year	(3,313)	1,609	n/m

5. Other income

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	30	18	58	36
Net gain on disposal of property, plant and equipment	-	40	-	40
Government grants and subsidies	115	144	257	592
Net foreign exchange gain	771	394	840	394
Others	644	161	658	241
	1,560	757	1,813	1,303

6. Loss/profit before income tax

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Loss/profit before income tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	6,427	5,755	12,275	12,627
Depreciation of right-of-use assets	1,777	1,927	3,534	3,824
Impairment loss of trade receivables	166	-	797	-
Gain on disposal of property, plant and equipment	-	40	-	40
Inventories (write-back)/write-down	(1,133)	1,790	(103)	2,714
Interest on bank borrowings	1,733	2,845	3,816	4,380
Interest paid on lease liabilities	114	71	146	197
Government grants and subsidies	(115)	(144)	(257)	(592)
Net foreign exchange gain	(771)	(394)	(840)	(394)

Taxation

The Group calculates the period income tax expenses using the tax rate that would be applicable to the external total annual earnings. The major components of income tax expense in the condensed interim and full year consolidated statement of the profit or loss are:

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC				
Current Tax	2,915	789	4,786	2,483
Underprovision/(overprovision) in respect of prior years	54	(588)	54	(588)
	2,969	201	4,840	1,895
Hong Kong				
Current Tax	14	16	14	25
(Overprovision)/underprovision in respect of prior years	(17)	9	(17)	9
	(3)	25	(3)	34
Total income tax expense	2,966	226	4,837	1,929

7. Dividends

The directors do not recommend the payment of a dividend for the years ended 30 June 2024 and 2023.

8. Loss/earnings per share

The calculation of basic loss per share for the 6 months ended 30 June 2024 is based on the loss attributable to owners of the Company of approximately RMB3,313,000 (profit for 6 months ended 30 June 2023: RMB1,609,000) divided by 12,650,000 (6 months ended 30 June 2023: 12,650,000) ordinary shares in issue during the period.

The calculation of basic earnings per share for the year ended 30 June 2024 is based on the profit attributable to owners of the Company of approximately RMB10,330,000 (loss for the year ended 30 June 2023: RMB910,000) divided by 12,650,000 (year ended 30 June 2023: 12,650,000) ordinary shares in issue during the year.

Diluted earnings/loss per share for the financial years ended 30 June 2024 and 2023 is the same as basic earnings/loss per share, as the Group has no dilutive potential shares during the current and prior year.

9. Net asset value

Net assets value per ordinary share is calculated based on the issued ordinary shares of 12,650,000 ordinary shares as at 30 June 2024 and 2023.

	Group		Company	
	As at 30.6.2024	As at 30.6.2023	As at 30.6.2024	As at 30.6.2023
	RMB	RMB	RMB	RMB
Net assets value per ordinary share	10.53	9.74	6.57	7.08

10. Property, plant and equipment

During the 6 months ended 30 June 2024, the Group acquired asset amounting to RMB14,201,000 (6 months ended 30 June 2023: RMB7,918,000).

During the 12 months ended 30 June 2024, the Group acquired asset amounting to RMB26,335,000 (12 months ended 30 June 2023: RMB16,459,000).

As at 30 June 2024, the Group has capital commitments of RMB9,460,000 (2023: RMB3,248,000) which is contracted but not provided for in respect of property, plant and equipment.

11. Bank borrowings, secured

Amount repayable in one year or less, or on demand

As at 30.6.2024		As at 30.6.2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
124,298	-	104,808	-

Details of any collateral

The Group's bank borrowings of RMB124,298,000 represent: -

- (i) bank loans granted by Bank of Communications, Industrial and Commercial Bank of China Limited, Bank of China and China Resource Bank in the PRC;
- (ii) invoice finance granted by China Construction Bank and Bank of China in the PRC.

As at 30 June 2024, the Group's bank borrowings were secured by Mr Leung Chee Kwong, director of the Company, the pledge of certain of the Group's property, plant and equipment, right-of-use assets and the land use rights of the Company's substantial shareholder.

As at 30 June 2024, these bank borrowings bear fixed interest rates ranging from 3.45% to 3.7% (2023: 3.5% to 4.1%) per annum and bear floating interest rates ranging 3.5% to 3.6% (2023: nil% to nil%) per annum.

12. Share capital – Group and Company

	30 June 2024		30 June 2023	
	HK\$'000	RMB'000	HK\$'000	HK\$'000
Authorised:				
50,000,000 ordinary shares of HK\$10.00 each	500,000	530,000	500,000	530,000
Issued and full paid:				
12,650,000 ordinary shares of HK\$10.00 each	126,500	133,557	126,500	133,557

(There were no treasury shares)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at shareholders' meetings of the Company without restriction.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The full year statement of financial position of Luxking Group Holdings Limited and its subsidiaries as at 30 June 2024 and the related condensed interim and full year consolidated profit or loss and other comprehensive income for the six-month and twelve-month period then ended, the consolidated full year statement of changes in equity and the consolidated full year statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

FY2024 vs FY2023

Group Revenue

The Group's revenue increased 11.7% from RMB495.8 million in FY2023 to RMB553.5 million in FY2024 on the back of improved demand in domestic and overseas markets. While the Group registered strong sales in the first half of FY2024, it observed slower market conditions in the second half of FY2024.

The biaxially oriented polypropylene films ("BOPP films") segment posted a marginal 3.3% increase in revenue from RMB188.6 million in FY2023 to RMB194.8 million in FY2024. This was attributed mainly to higher sales volume of standard BOPP films during FY2024.

The industrial specialty tapes ("IS tapes") registered a 19.7% jump in sales from RMB159.9 million in FY2023 to RMB191.3 million in FY2024. The increase was lifted mainly by the recovery in demand from domestic and overseas markets, as well as incremental contribution from sales of customised IS tapes which the Group developed and introduced to customers during first half of FY2024.

Sales of general purpose tapes ("General tapes") also increased 13.7% from RMB147.3 million in FY2023 to RMB167.4 million in FY2024. The increase was attributed mainly to higher selling prices of the Group's products as a result of a rise in cost of raw materials.

As a result, the BOPP segment's revenue contribution moderated to 35.2% (FY2023: 38.0%) while the IS tapes segment accounted for a larger 34.6% of Group revenue in FY2024 (FY2023: 32.2%). General tapes segment's revenue contribution increased slightly to 30.2% in FY2024 (FY2023: 29.7%).

In terms of revenue by geographical markets, sales in the domestic market increased 12.4% from RMB435.6 million in FY2023 to RMB489.6 million in FY2024. Sales to overseas markets also recovered 6.3% from RMB60.1 million in FY2023 to RMB63.9 million in FY2024. The improvement in local and export sales during FY2024 was attributed mainly to the IS tapes and General tapes segments. As a result, the domestic market accounted for 88.4% of Group revenue in FY2024 (FY2023: 87.9%) and the remaining 11.6% of revenue was derived from overseas markets (FY2023: 12.1%).

Group Gross Profit and Gross Profit Margin

The Group registered gross profit of RMB85.3 million in FY2024, up 42.1% from RMB60.0 million in FY2023. Gross profit margin expanded 15.4% in FY2024 from 12.1% in FY2023, attributed mainly to a change in IS tapes and General tapes sales mix which helped to lift profit margin, the absence of an inventory write-down incurred in FY2023, and cost efficiencies arising from the Group's vertically-integrated capabilities at its Hubei plant. During FY2023, the Hubei plant began production of PE-coated paper and release liners which resulted in cost savings as these materials are used internally for the manufacture of IS tapes and General tapes.

Other Income

Other income increased from RMB1.3 million in FY2023 to RMB1.8 million in FY2024, due mainly to higher net foreign exchange gain.

Selling and Distribution Costs, Administrative and Other Operating Expenses

Selling and distribution costs increased 20.6% from RMB21.1 million in FY2023 to RMB25.4 million in FY2024 in tandem with higher staff-related expenses, increases in transportation cost for export of products to overseas markets and marketing expenses. Administrative expenses also increased 17.5% from RMB34.4 million in FY2023 to RMB40.5 million in FY2024. This was due largely to higher staff-related expenses, professional fees and repair and maintenance expenses. The Group incurred higher other operating expenses of RMB2.0 million in FY2024 compared to RMB0.2 million in FY2023, owing to higher impairment loss of trade receivables, charity donations, and a provision which arose from a raw material supplier's value-added tax invoices dispute with the local tax authority. Our company is not the subject of this case.

Finance Costs

Finance costs decreased 13.4% from RMB4.6 million in FY2023 to RMB4.0 million in FY2024, due to lower interest rate and a reduction in interest expenses related to certain invoice financing facilities.

Income Tax

Income tax expense increased from RMB1.9 million in FY2023 to RMB4.8 million in FY2024 in tandem with the increase in the Group's taxable income.

Group Net Profit/Loss

As a result of the above, the Group recorded net profit of RMB10.3 million in FY2024, reversing the net loss of RMB0.9 million in FY2023.

Review of Financial Position as at 30 June 2024

Non-current assets increased from RMB85.7 million as at 30 June 2023 to RMB104.7 million as at 30 June 2024. This was due mainly to an increase in property, plant and equipment for the Hubei plant and Zhongshan factory as well as higher right-of-use assets, offset partially by depreciation expenses.

Inventories increased from RMB84.2 million as at 30 June 2023 to RMB94.6 million as at 30 June 2024 in tandem with business requirements.

Trade receivables increased from RMB77.8 million as at 30 June 2023 to RMB91.3 million as at 30 June 2024 as a result of higher sales. Debtor turnover lengthened to 60 days for FY2024 compared to 57 days for FY2023.

Prepayments, deposits and other receivables decreased from RMB22.7 million as at 30 June 2023 to RMB21.4 million as at 30 June 2024. This was attributed mainly to the declines in deposits paid to suppliers and value-added tax receivables arising from the purchase of raw materials.

Cash and bank balances increased from RMB24.0 million as at 30 June 2023 to RMB32.1 million as at 30 June 2024. Total borrowings increased from RMB104.8 million as at 30 June 2023 to RMB124.3 million as at 30 June 2024.

Trade payables increased from RMB35.1 million as at 30 June 2023 to RMB48.2 million as at 30 June 2024 in line with higher business volume.

Accrued expenses and other payables increased to RMB18.3 million as at 30 June 2024 from RMB16.8 million as at 30 June 2023 due to an increase of certain PRC local tax payables.

The Group recognised lease liabilities of RMB7.4 million as at 30 June 2024 compared to RMB2.0 million as at 30 June 2023 due to an increase in right-of-use assets.

Income tax payables increased from RMB0.5 million as at 30 June 2023 to RMB3.6 million as at 30 June 2024. Deferred income as at 30 June 2024 stood at RMB11.6 million, which arose from a local government grant for the Group's manufacturing plant in Hubei.

Group Cash Flows

Net cash generated from operating activities during FY2024 amounted to RMB24.8 million. This was derived primarily from operating profit before working capital changes of RMB35.3 million, offset partially by net working capital outflows of around RMB8.8 million and income taxes paid of RMB1.8 million. Net cash used in investing activities amounted to RMB28.9 million in FY2024, attributed mainly to purchases of property, plant and equipment for the Hubei plant and Zhongshan factory. Net cash generated from financing activities in FY2024 was RMB12.4 million, due mainly to net proceeds from bank borrowings, offset partially by interest payments and repayment of lease liabilities.

2. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's financial results for FY2024 are in line with the profit guidance announcement released on 22 August 2024.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Looking ahead, the business environment is expected to remain challenging due to uncertain economic conditions in the PRC and global markets which may adversely affect future demand, increasing operating costs and higher raw material prices. Geopolitical tensions in Europe and the Middle East will also continue to result in supply chain disruptions and cause greater uncertainty in overseas markets served by the Group.

In view of the market uncertainties and a highly competitive landscape, the Group is maintaining a cautious outlook for FY2025. To drive long term growth and enable it to withstand potential challenges, the Group will continue to focus on these key strategies -- Maintain competitiveness of its products through R&D and customization to meet customers' requirements; Strengthen customer relationships through active engagements to better understand their needs and keep abreast of market trends; Expand customer network by building stronger sales teams and participating in trade shows and; Continually raise production efficiency and improve operational costs through appropriate investments and upgrades in equipment and machinery.

For its BOPP films segment, the Group will continue to align the production mix of its standard and high-end BOPP films to prevailing market demand as it remains mindful of keen competition and volatile raw material prices.

The Group foresees the market for the IS tapes and General tapes businesses in FY2025 to remain similar to the slower conditions witnessed during the second half of FY2024 amid intensifying competitive pressures.

For the IS tapes segment, the Group intends to capitalise on growing demand for customised products across various end-user industries. The Group will focus on its strength in R&D to develop new products that will deepen its market penetration of the automotive industry. It will also maintain its competitive advantages in the smartphone and home appliances industries, which are its major customer segments, by developing and tailoring new products to cater to customers' requirements.

For the General tapes business, the Group will continue improving cost efficiencies to raise the competitiveness of its products, while pursuing opportunities to expand its customer pool and gain a larger market share.

To support its future plans, the Group will continue with the development of its second manufacturing plant in Hubei Province, while making necessary capital investments to raise the production capacity and efficiency at its factory in Zhongshan, Guangdong Province.

At the Hubei plant, the Group has completed construction of a Multi-use Complex, as well as carried out interior works for production units, built ancillary facilities and installed various equipment and machinery to expand the IS tapes business to meet potential demand from existing and new customers. The Group has also invested in adhesive manufacturing systems and adhesive tapes production line. The new IS tapes facilities are presently in the testing phase with trial production targeted to commence during the first half of FY2025.

The Group is also continuing construction works for new warehouses, as well as other peripheral facilities and systems. In total, the Group has incurred capital expenditure of around RMB21 million during FY2024 for the aforesaid developments at Hubei plant.

For FY2025, the Group is budgeting further capital investment of RMB9.5 million at the Hubei plant to complete the warehouses, as well as for the purchase of other equipment to support the IS tapes business. The Group plans to continue developing the infrastructure of its Hubei plant in phases according to the market situation.

For its Zhongshan factory, the Group has installed two new coating lines during the second half of FY2024 that have already contributed positively to the overall production capacity and efficiency of its IS tapes and General tapes. The Group also continues to upgrade existing equipment and machinery at its Zhongshan factory to enhance production flow, efficiency, capacity and quality. In FY2024, the Group made capital investments of around RMB5 million for the purchase and installation of two new coating lines and other equipment at the Zhongshan factory.

4. Dividend information

- (a) Current financial period reported on
No dividend has been declared or recommended for the current financial period reported on.
- (b) Corresponding period of the immediate preceding financial year
No dividend has been declared or recommended for the corresponding period of the immediate preceding financial year.
- (c) Date payable
Not applicable
- (d) Book closure date
Not applicable
- (e) If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.
No dividend has been declared or recommended for the year ended 30 June 2024 as the Group wants to conserve fund for working capital purpose during this challenging business conditions.

5. Interested person transactions

There was no IPT mandate has been obtained under Rule 920(1)(a)(ii) in FY2024.

6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

7. Review of performance of the Group - turnover and earnings

Please refer to point 1 in this section.

8. Disclosure of person occupying a managerial position who are related to a director, CEO or substantial shareholder

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Leung Hi Man	43	Daughter of Mr Leung Chee Kwong, Chief Executive Director and Executive Chairman	<p>Executive Director since 1 September 2017 and Chief Sustainability Officer since January 2022</p> <p>Ms Leung Hi Man is responsible for overseeing the finance department, the formulation and execution of overall business strategies and policies of the Group, and strategy planning and execution of sustainability efforts across the Group.</p> <p>She assists in the marketing and sales of Hong Kong subsidiary, Luxking International Chemicals Limited, since October 2005.</p> <p>In addition, she is also responsible for the Sales and Marketing Department of Hong Kong subsidiary, China King International Trading Limited, since October 2006.</p>	

BY ORDER OF THE BOARD

Yoo Loo Ping
Company Secretary

27 August 2024