

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

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This report, for which the directors (the “Directors”) of Jisheng Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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.

HIGHLIGHTS

- The Group recorded a revenue from continuing operations of approximately HK\$24.82 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$34.58 million).
- Loss attributable to the equity shareholders of the Company for the six months ended 30 June 2024 amounted to approximately HK\$1.70 million (six months ended 30 June 2023: loss of approximately HK\$0.24 million).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

FINANCIAL RESULTS

The board of directors (the “Board”) of Jisheng Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for six months ended 30 June 2024 together with the comparative unaudited figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	3	24,816	34,581
Cost of sales		(20,040)	(26,968)
Gross profit		4,776	7,613
Other income		2,977	469
Selling and distribution expenses		(1,336)	(1,684)
Administrative expenses		(7,874)	(25,903)
Gain on disposal of subsidiaries		–	6,882
Finance costs		(239)	(334)
Loss before taxation		(1,696)	(12,957)
Income tax expense	5	–	–
Loss for the period from continuing operations	6	(1,696)	(12,957)
Discontinued operation			
Profit for the period from discontinued operation		–	16,716
(Loss) profit for the period		(1,696)	3,759

	Six months ended 30 June	
Note	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to equity shareholders of the Company:		
– from continuing operations	(1,696)	(12,773)
– from discontinued operation	–	12,537
	(1,696)	(236)
(Loss) profit for the period attributable to non-controlling interests:		
– from continuing operations	–	(184)
– from discontinued operation	–	4,179
	–	3,995
	(1,696)	3,759
(Loss) profit for the period	(1,696)	3,759
Other comprehensive expense for the period		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of financial statements of a foreign operation, net of tax	(379)	(589)
Other comprehensive expense for the period, net of taxation	(379)	(589)
Total comprehensive (expense) income for the period	(2,075)	3,170

	Six months ended 30 June	
	2024	2023
Note	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
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Total comprehensive (expense) income for the period attributable to equity shareholders of the Company:		
– from continuing operations	(2,075)	(13,362)
– from discontinued operation	–	12,537
	(2,075)	(825)
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Total comprehensive (expense) income for the period attributable to non-controlling interests:		
– from continuing operations	–	(184)
– from discontinued operation	–	4,179
	–	3,995
	(2,075)	3,170
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Loss per share	8	HK cents
		HK cents
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From continuing and discontinued operations:		
Basic	(4.44)	(0.10)
Diluted	(4.44)	(0.10)
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From continuing operations:		
Basic	(4.44)	(5.42)
Diluted	(4.44)	(5.42)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Non-current assets			
Plant and equipment		430	1,445
Right-of-use assets		854	2,012
Rental deposits	9	428	438
Interest in an associate		–	–
Goodwill		–	–
		1,712	3,895
Current assets			
Inventories		6,258	11,962
Trade and other receivables	9	32,798	20,148
Cash and cash equivalents		3,801	5,483
		42,857	37,593
Current liabilities			
Trade and other payables	10	9,725	9,440
Amount due to an associate		11	–
Amounts due to related parties		732	–
Lease liabilities		2,681	2,699
Other borrowings		5,960	410
		19,109	12,549
Net current assets		23,748	25,044
Total assets less current liabilities		25,460	28,939
Non-current liabilities			
Lease liabilities		5,160	6,564
NET ASSETS		20,300	22,375
CAPITAL AND RESERVES			
Share capital	11	30,547	30,547
Reserves		(10,247)	(7,612)
Total equity attributable to equity shareholders of the Company		20,300	22,935
Non-controlling interests		–	(560)
TOTAL EQUITY		20,300	22,375

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Exchange reserve	Capital reserve	Special reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited) (Note (a))	HK\$'000 (Unaudited)	HK\$'000 (Unaudited) (Note (b)&(c))	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Balance at 1 January 2024	30,547	45,147	760	(7,045)	2	27,650	(74,126)	22,935	(560)	22,375
Loss for the period	-	-	-	-	-	-	(1,696)	(1,696)	-	(1,696)
Other comprehensive expenses for the period	-	-	(379)	-	-	-	-	(379)	-	(379)
Total comprehensive expenses for the period	-	-	(379)	-	-	-	(1,696)	(2,075)	-	(2,075)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(560)	-	(560)	560	-
Balance as at 30 June 2024	30,547	45,147	381	(7,045)	2	27,090	(75,822)	20,300	-	20,300
Balance at 1 January 2023	16,973	42,499	1,165	(7,045)	2	27,650	(69,083)	12,161	(6,447)	5,714
(Loss) profit for the period	-	-	-	-	-	-	(236)	(236)	3,995	3,759
Other comprehensive expenses for the period	-	-	(589)	-	-	-	-	(589)	-	(589)
Total comprehensive expenses for the period	-	-	(589)	-	-	-	(236)	(825)	3,995	3,170
Issue of new shares under the January 2023 subscription (Note 11(a))	880	1,705	-	-	-	-	-	2,585	-	2,585
Issue of new shares under the April 2023 subscription (Note 11(b))	2,512	942	-	-	-	-	-	3,454	-	3,454
Eliminated on disposal of subsidiaries	-	-	-	-	-	-	-	-	2,268	2,268
Balance as at 30 June 2023	20,365	45,146	576	(7,045)	2	27,650	(69,319)	17,375	(184)	17,191

Note (a): Capital reserve of the Group represents the difference between the nominal value of the 47% issued capital of a subsidiary, G. Force (Hong Kong), held by Mr. Wong Thomas Wai Yuk, acquired pursuant to the group restructuring in year 2012 and the consideration for acquiring 47% of the issued capital of the subsidiary from Mr. Wong Thomas Wai Yuk.

Note (b): Other reserve represented the difference between the nominal amount of the share capital and share premium of XETRON Group Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.

Note (c): Other reserve represented the difference between the amount of share capital and share premium of subsidiaries (Jisheng Group (China) Limited and 河南吉盛文化傳媒集團有限公司) and the amount of the share capital issued by the Company pursuant to the acquisition.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(6,135)	(3,377)
Net cash generated from (used in) investing activities	5	(19)
Net cash generated from financing activities	4,827	2,572
Net decrease in cash and cash equivalents	(1,303)	(824)
Cash and cash equivalents at the beginning of period	5,483	2,799
Effect of foreign exchange rate changes	(379)	(79)
Cash and cash equivalents at the end of period	3,801	1,896
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	3,801	1,896

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 24 February 2014, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares have been listed on GEM of the Stock Exchange since 30 April 2015.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 (the "2024 Interim Financial Statements") are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The 2024 Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the GEM Listing Rules. The 2024 Interim Financial Statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the 2024 Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs").

In the current period, the Group has adopted a number of new and revised HKFRSs, amendments to Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA that are relevant to the Group and effective for accounting periods beginning on or after 1 January 2024. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group's results and financial position.

The preparation of the 2024 Interim Financial Statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The 2024 Interim Financial Statements should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2023.

3. REVENUE

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of cast metal products	24,816	34,581

Revenue from sales of cast metal products represents the sales value of goods supplied to customers, net of discounts, returns and value added tax or other sales taxes.

Revenue from discontinued operation of financial printing services income amounted to HK\$Nil (six months ended 30 June 2023: HK\$528,000) are recognised during the period.

4. SEGMENT INFORMATION

The Group has one reportable operating segment which is the metal casting segment.

The Directors assess the performance of the operating segment based on a measure of revenue and results of segment and do not assess the performance based on segment assets and liabilities.

- (a) The segment information provided to the directors for the reportable segment for the six months ended 30 June 2024 and 2023 is as follows:

	Continuing operations			
	Six months ended 30 June			
	Metal Casting		Total	
	2024	2023	2024	2023
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Segment revenue (all from external customers)	24,816	34,581	24,816	34,581
Segment results	(286)	(1,733)	(286)	(1,733)
Gain on disposal of subsidiaries			-	6,882
Unallocated operating costs			(1,171)	(17,772)
Finance costs			(239)	(334)
Loss before income tax			(1,696)	(12,957)

4. SEGMENT INFORMATION (CONTINUED)

- (b) Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers.

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Germany	22,468	31,131
The PRC	1,634	2,389
The United States	714	957
Others	–	104
	24,816	34,581

- (c) Information about the Group's non-current assets (excluded goodwill, rental deposits and interest in an associate) is presented based on the geographical location of the assets.

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	–	–
The PRC	1,284	3,457
	1,284	3,457

Information about major customers

Details of the customer accounting for 10% or more of aggregate revenue of the Group are disclosed as follows:

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	5,627	5,211
Customer B	4,095	6,667
Customer C	2,791	–

* Revenue was generated from Metal casting business segment.

5. INCOME TAX EXPENSE

The amount of income tax charged to the profit or loss represents:

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong profits tax	-	-
PRC Enterprise Income Tax	-	-
	-	-

Pursuant to the income tax rule and regulations of Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to income tax in the respective jurisdictions.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the “Ordinance”). Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying corporation, which only one qualifying corporation within the Group is selected, is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018–2019.

Accordingly, the provision for Hong Kong Profits Tax for the qualifying corporation for the six months ended 30 June 2024 is calculated in accordance with the two-tiered profits tax rate regime (30 June 2023: 8.25%) whereas the provision for other Hong Kong incorporated corporations are charged at 16.5% (30 June 2023: 16.5%).

Taxation of a PRC subsidiary is calculated using the applicable income tax rate of 25% (30 June 2023: 25%).

No provision for Hong Kong Profits Tax and PRC Income tax has been made for the six months ended 30 June 2024 and 2023 as the subsidiaries in Hong Kong and PRC have no assessable profits.

6. LOSS FOR THE PERIOD

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as expense	20,040	26,968
Depreciation of plant and equipment	308	327
Depreciation of right-of-use assets	1,158	920
Impairment loss from discontinued operation	-	17,564

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the equity shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	'000	'000
Weighted average number of ordinary shares in issue at 30 June	38,184	235,537

	Continuing operations	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss (profit) for the period attributable to equity shareholders of the Company:		
– from continuing operations	(1,696)	(12,773)
– from discontinued operation	–	12,537
Total loss for the period attributable to equity shareholders of the Company	(1,696)	(236)

No adjustment has been made to the basic loss per share for the six months ended 30 June 2024 and 2023 as the Group had no potential dilutive ordinary shares in issue during these periods.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables, net of loss allowance	11,330	5,707
Deposits prepayment and other receivables	21,896	14,879
	33,226	20,586
Rental deposit included under non-current assets	428	438
Current portion included under current assets	32,798	20,148

The Group allows an average credit period of 30 to 90 days to its trade customers. The Group does not hold any collateral over its trade and other receivables. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 30 days	5,483	2,195
31 to 60 days	1,870	1,687
61 to 90 days	2,383	1,684
Over 90 days but less than 1 year	1,594	141
Total	11,330	5,707

10. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	5,666	5,947
Accrued charges and other payables	4,059	3,493
	9,725	9,440

10. TRADE AND OTHER PAYABLES (CONTINUED)

All of the trade and other payables are expected to be settled or recognised as income within one year.

The ageing analysis of trade creditors as of the end of the reporting period, based on invoice date, is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 30 days	3,723	4,849
31 to 60 days	1,360	926
61 to 90 days	365	50
Over 90 days but less than 1 year	218	122
	5,666	5,947

11. SHARE CAPITAL

	Number of shares '000	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2023 (ordinary share at HK\$0.08 per share)	1,250,000	100,000
2023 Share Consolidation (Note (c))	(1,125,000)	–
At 31 December 2023 and 30 June 2024 (ordinary share at HK\$0.8 per share)	125,000	100,000
Issued and fully paid:		
Ordinary shares, issued and fully paid		
At 1 January 2023	212,160	16,973
Shares issued under the January 2023 subscription of shares (Note (a))	11,000	880
Shares issued under the March 2023 subscription of shares (Note (b))	31,400	2,512
2023 share consolidation (Note (c))	(229,104)	–
Shares issued under the 2023 rights issue (Note (d))	12,728	10,182
At 31 December 2023 and 30 June 2024	38,184	30,547

11. SHARE CAPITAL (CONTINUED)

Note:

- (a) On 13 January 2023, a subscriber entered into the subscription agreement with the Company, pursuant to which the subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to issue 11,000,000 subscription shares at the subscription price of HK\$0.235 per subscription shares. The subscription transaction was completed on 20 January 2023 and a total of 11,000,000 subscription shares were issued. Further details are set out in the Company's announcement dated 20 January 2023.
- (b) On 29 March 2023, two subscribers entered into the subscription agreements with the Company, pursuant to which the two subscribers have conditionally agreed to subscribe and the Company has conditionally agreed to issue 25,000,000 subscription shares and 6,400,000 subscription shares to the subscribers at the subscription price of HK\$0.11 per subscription share, respectively. The subscription transaction was completed on 13 April 2023 and a total of 31,400,000 subscription shares were issued. Further details are set out in the Company's announcement dated 13 April 2023.
- (c) On 12 July 2023, the Company held an extraordinary general meeting and an ordinary resolution was passed, approving the consolidation of every ten issued and unissued ordinary shares of HK\$0.08 each in the share of the Company into one consolidated share of HK\$0.8 each in the share capital of the Company effective on 14 July 2023.
- (d) On 24 August 2023, the Company raised net proceeds of approximately HK\$9,000,000 on the basis of one rights share for every two shares held on 26 July 2023 at a subscription price of HK\$0.8 per share, resulting in an increase in number of issued ordinary share from 25,456,000 to 38,184,000. The net proceeds were used as capital contribution to the joint venture companies, investments in other business opportunities and general working capital of the Group. Further details are set out in the Company's announcement dated 23 August 2023.

12. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group represents amounts paid to the Company's directors.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	688	780

12. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party outstanding balances

		At 30 June 2024	At 31 December 2023
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Related party			
Ms. Woo Lan Ying (Director)	(i)	400	–
		400	–

Note:

- (i) The amount due to a director is unsecured and repayable one year after. Included the balance of HK\$400,000 is carried interest at 8% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

During the six months ended 30 June 2024 ("Period"), the Group was principally engaged in trading and manufacturing of metal casting parts and components in the PRC from continuing operations.

Metal Casting Business

The metal casting products of the Group can be categorized into four main categories: (a) pump components; (b) valve components; (c) filter components; and (d) food machinery components, which are made of stainless steel, carbon steel, bronze and/or grey iron. Our largest market is Germany. We also have customers from PRC and the United States.

During the Period, the global economic environment remains challenging due to the impact of interest rate hikes and inflation. Although the release of certain lock down measures in overseas, the revenue from metal casting business decreased by approximately 28.22% as compared to the six months ended 30 June 2023. The revenue level of this segment rebounded to that in 2019, i.e. prior to the outbreak of the COVID-19 pandemic. Although the average selling prices of the products were increased, it has been offset by the increase in general costs of raw materials.

Financial Printing Business

The continuous loss-making position and significant decrease in revenue of the Financial Printing Business were mainly attributable to the outbreak of COVID-19 pandemic as various restrictions were imposed on the travelling to and from Hong Kong and this directly affected the number of financial printing jobs for IPO projects of the Financial Printing Business. During the year ended 31 December 2022, in light of the weak performance of the Financial Printing Business, the Group has devoted tremendous management time and efforts on the Financial Printing Business with the hope to turnaround its performance. Despite various cost control measures and strategies have been implemented, no significant improvements were noted in 2022 and the first quarter of 2023. Although the COVID-19 pandemic started relief in Hong Kong and Mainland China in February 2023, various restrictions were imposed on the travelling to and from Hong Kong were relieved but still affected the market of Financial Printing Business due to the aftermath of COVID-19 pandemic on the macroeconomic environment. The Group expected that such unfavorable and uncertain market conditions in the Financial Printing Business shall persist for a period of time.

On 19 May 2023, the Group has discontinued the 75% equity interest of Financial Printing Business through the disposal of a subsidiary in order to prevent the Group from suffering further losses and cash outflow for the non-performing Financial Printing Business.

Looking ahead, the Group will continue to strengthen its cost control and resources management by executing flexible strategies to face the challenges in order to maintain its competitiveness in the market. Meanwhile, the Group will closely monitor the business environment and explore other potential investment opportunities and value-added business from time to time such as in Mainland China, Hong Kong and overseas in order to diversify the Group's business and create new source of revenue to the Group.

Financial Review

Revenue

For the Period, revenue of the Group from continuing operations decreased around 28.22% to approximately HK\$9.76 million as compared with the corresponding period in 2023. The decreased in revenue was mainly due to the impact of the global economic environment facing the challenges.

Gross profit

Gross profit from continuing operations of approximately HK\$4.78 million was recorded for the Period, decreased by approximately HK\$2.83 million as compared with the corresponding period in 2023 of approximately HK\$7.61 million.

Selling and distribution expenses

The Group's selling and distribution expenses from continuing operations for the Period amounted to approximately HK\$1.34 million (six months ended 30 June 2023: approximately HK\$1.68 million). Selling and distribution expenses comprised mainly packaging, delivery, customs, agency cost and insurance cost incurred in relation to the sales. The selling and distribution expenses recorded an increase during the Period.

Administrative expenses

The Group's administrative expenses from continuing operations for the Period amounted to approximately HK\$7.87 million, representing an approximately 69.61% decrease as compared with the corresponding period in 2023 of approximately HK\$25.90 million. For the corresponding period in 2023, excluding the non-recurring impairment loss from discontinued operation of approximately HK\$17.56 million in administrative expenses, the administrative expenses for the corresponding period in 2023 represented approximately HK\$8.34 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, exchange loss, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations.

Finance costs

Finance costs mainly represented the interest on lease liabilities and other borrowings during the Period.

Loss for the Period

Loss attributable to equity shareholders of the Company for the Period amounted to approximately HK\$1.70 million (six months ended 30 June 2023: loss of approximately HK\$0.24 million).

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

Liquidity and financial resources

The Group's principal sources of funds are used to finance its working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and financing activities. The Group had cash and cash equivalents of approximately HK\$3.8 million as at 30 June 2024 (31 December 2023: HK\$5.5 million). As at 30 June 2024, except for the loan from a director, amounting to approximately HK\$0.4 million, the Group did not have any interest-bearing borrowings. As at 31 December 2023, except for the advance from related parties and borrowings of approximately HK\$0.41 million, the Group did not have any other interest-bearing borrowings.

Gearing ratio

As at 30 June 2024, the Group's gearing ratio was 1.97% (31 December 2023: Nil), which is calculated based on the Group's total interest-bearing debt divided by the Group's total equity.

Capital Structure

The capital of the Company comprises only ordinary shares.

As at 30 June 2024, the Company's total number of issued shares was 38,184,000 of HK\$0.8 each (31 December 2023: 38,184,000 of HK\$0.8 each). The Group did not have any debt securities or other capital instruments as at 30 June 2024.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

Contingent liabilities

As at 30 June 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

Charge of assets

As at 30 June 2024, the Group had no charge of assets (31 December 2023: Nil).

Foreign currency risk

The Group mainly sells the products to customers in Germany, the PRC and the United States. The Group is exposed to foreign currency risks as it receives a majority of revenue in Euro from its customers in Europe. The Group generally have a surcharge mechanism with its customers to protect the future profitability in certain extent against the (i) fluctuation of the cost of certain raw materials; and (ii) fluctuation of the exchange rate of Euro vs RMB, or Euro vs USD, if the purchase price is to be settled by Euro. However, there is no assurance that such mechanism could protect the Group free from foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Board will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Commitments

As at 30 June 2024, the Group did not have any significant capital commitments (31 December 2023: Nil).

Significant investment held

As at 30 June 2024, the Group did not hold any significant investment in equity interest in any other companies.

Future plans for material investments and capital assets

The Group did not have plans for material investments and capital assets as at 30 June 2024.

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group did not have any material acquisitions of subsidiaries and affiliated companies during the six months ended 30 June 2024.

Employee and Emolument Policies

As at 30 June 2024, the employee headcount (including Directors) of the Group was 102 (31 December 2023: 105) and the total staff costs, including directors' emoluments, amounted to approximately HK\$3.98 million during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$4.48 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience). The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in shares of the Company:

Name of Director/ Chief Executive	Capacity	Number of shares held	Percentage of the Company's issued share capital
Ms. Woo Lan Ying ("Ms. Woo")	Beneficial owner	9,923,852	25.99%

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2024, other than the Director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Mr. Cheung Siu Wo	Personal interest	2,056,600	5.39%
Mr. Fang Jinhua	Personal interest	2,661,150	6.97%

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 10 April 2015.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2024 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

COMPLIANCE OF CODE OF CONDUCT FOR 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 confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 June 2024.

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) had any business or interest which competes or may compete with the business of the Group, or had any other conflict of interest with the Group throughout the Period.

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Ms. Yuen Wai Man, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee and Ms. Leung Shuk Lan and Mr. Au Sui Keung Albert. The audit committee has reviewed this report and has provided advice and comments thereon.

CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

Except for above, to the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the six months ended 30 June 2024.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 17.50(2) AND 17.50A(1) OF THE GEM LISTING RULES

Save as disclosed below, there is no other change in the information of each Director that is required to be disclosed under Rule 17.50(2) and 17.50A(1) of the GEM Listing Rules during the Period.

Ms. Woo has been appointed as an executive Director and vice chairperson of Silkware Inc (Stock Code: 471) since 14 May 2024. Ms. Woo also has been appointed as an executive Director and the chief executive officer of Yuk Wing Group Holdings Limited (Stock Code: 1536) since 2 July 2024.

By Order of the Board
Jisheng Group Holdings Limited
Woo Lan Ying
Chairman

Hong Kong, 14 August 2024