亨得利
HENGDELI

HENGDELI HOLDINGS LIMITED
亨 得 利 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3389)

2025 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025	2024	YoY change
	(Unaudited)	(Unaudited)	
	RMB'000	*RMB'000*	*%*
Revenue	**314,314**	580,361	-45.8
Gross profit margin	**20.5%**	16.4%	410bps
Profit for the period	**26,033**	499	5,117.0
Profit/(loss) attributable to equity shareholders	**26,308**	(2,504)	1,150.6

INTERIM RESULTS

The board of directors (the "Board") of Hengdeli Holdings Limited ("the Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 (the "period under review"), along with the comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**314,314**	580,361
Cost of sales		**(249,803)**	(484,998)
Gross profit		**64,511**	95,363
Other revenue	*4(a)*	**32,385**	33,322
Other net gain/(loss)	*4(b)*	**54,219**	(25,686)
Distribution costs		**(27,513)**	(32,093)
Administrative expenses		**(91,829)**	(88,126)
Profit/(loss) from operations		**31,773**	(17,220)
Share of (loss)/profits of associates		**(2,863)**	26,514
Finance costs	*5(a)*	**(1,506)**	(2,719)
Profit before taxation	*5*	**27,404**	6,575
Income tax expense	*6*	**(1,371)**	(6,076)
Profit for the period		**26,033**	499
Attributable to:			
Equity shareholders of the Company		**26,308**	(2,504)
Non-controlling interests		**(275)**	3,003
Profit for the period		**26,033**	499
Basic and diluted earning/(loss) per share	*7*	**RMB0.006**	RMB(0.001)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Profit for the period		**26,033**	499
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of overseas subsidiaries' financial statements		**(38,887)**	31,039
Share of associates exchange differences on translating foreign operations		**(2,958)**	3,525
		(41,845)	34,564
Items that will not be reclassified subsequently to profit or loss:			
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	*10*	**(17,969)**	4,211
Exchange differences on translation of equity investments at fair value through other comprehensive income	*10*	**(11,086)**	9,439
Exchange differences on translation of the Company's financial statements		**(29,806)**	24,504
		(58,861)	38,154
Total comprehensive income for the period		**(74,673)**	73,217
Attributable to:			
Equity shareholders of the Company		**(74,411)**	70,218
Non-controlling interests		**(262)**	2,999
Total comprehensive income for the period		**(74,673)**	73,217

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	At 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Non-current assets			
Investment properties		**255,466**	259,110
Property, plant and equipment	*8*	**528,798**	538,212
		784,264	797,322
Intangible assets		**5,678**	5,245
Goodwill		**52,730**	53,728
Interests in associates	*9*	**155,343**	161,164
Other investments	*10*	**374,554**	402,240
Prepayment and deposits	*12*	**8,708**	7,894
Deferred tax assets		**843**	1,125
		1,382,120	1,428,718
Current assets			
Inventories	*11*	**141,496**	175,432
Trade and other receivables	*12*	**531,731**	616,205
Loans to associates		**34,077**	34,719
Other investments	*10*	**20,546**	12,181
Current tax recoverable		**29**	251
Deposits with banks	*13*	**100,876**	329,600
Cash and cash equivalents	*14*	**1,195,507**	937,036
		2,024,262	2,105,424
Current liabilities			
Trade and other payables and contract liabilities	*15*	**129,718**	168,777
Bank loans	*16*	**36,054**	45,953
Lease liabilities		**10,180**	9,188
Current taxation		**166**	3,006
		176,118	226,924
Net current assets		**1,848,144**	1,878,500
Total assets less current liabilities		**3,230,264**	3,307,218

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2025 (Unaudited)** ***RMB'000***	At 31 December 2024 (Audited) *RMB'000*
Non-current liabilities			
Bank loans	*16*	**12,812**	12,050
Lease liabilities		**12,620**	15,664
		25,432	27,714
NET ASSETS		**3,204,832**	3,279,504
CAPITAL AND RESERVES	*17*		
Share capital		**21,254**	21,254
Reserves		**3,113,909**	3,188,320
Total equity attributable to equity shareholders of the Company		**3,135,163**	3,209,574
Non-controlling interests		**69,669**	69,930
TOTAL EQUITY		**3,204,832**	3,279,504

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
Operating activities			
Cash generated from/(used in) operations		**94,743**	(77,190)
Tax paid		**(3,748)**	(3,230)
Net cash generated from/(used in) operating activities		**90,995**	(80,420)
Investing activities			
Payment for the purchase of property, plant and equipment		**(3,208)**	(35,083)
Decrease in deposits with banks		**223,185**	130,591
Proceeds from repayment of advances to third parties		**–**	19,466
Payment for purchase of other investments		**(5,000)**	(31,596)
Proceeds from sale of other investments		**3,631**	–
Other cash flows arising from investing activities		**27,262**	24,651
Net cash generated from investing activities		**245,870**	108,029
Financing activities			
Capital element of lease rentals paid		**(4,702)**	(4,691)
Interest element of lease rentals paid		**(386)**	(327)
Other cash flows arising from financing activities		**(11,429)**	5,819
Net cash (used in)/generated from financing activities		**(16,517)**	801
Net increase in cash and cash equivalents		**320,348**	28,410
Cash and cash equivalents at 1 January	*14*	**937,036**	990,815
Effect of foreign exchange rates changes		**(61,877)**	41,209
Cash and cash equivalents at 30 June	*14*	**1,195,507**	1,060,434

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1. BASIS OF PREPARATION

This interim financial report 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 (“the Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 20 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report 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 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report 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. Statutory annual consolidated financial statements for the year ended 31 December 2024 are available from the Company’s registered office. The auditor had expressed an unqualified opinion on those financial statements in their report dated 20 March 2025.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments has 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 this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by a mixture of both business lines (products and services) and geography (mainly in Mainland China and Hong Kong). In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purpose of resource allocation and performance assessment, and given the importance of trading division to the Group, the Group’s businesses are separated into the following two reportable segments on a geographical and products and services basis, as the divisional managers for each of these regions report directly to the senior executive team. All segments primarily derive their trading revenue through their own network. No operating segments have been aggregated to form the reportable segments.

The Group has identified the following reportable segments:

– High-end consuming accessories	– Manufacturing of watch accessories and shop design and decoration services business;
– Commodity trading	– Trading of iron ore and coal

(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 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Revenue from manufacturing of watch accessories	**143,659**	165,769
– Revenue from provision of shop design and decoration service	**104,436**	186,570
– Revenue from commodity trading	**66,219**	228,022
	314,314	580,361
Revenue from other sources		
– Gross rentals from investment properties	**1,071**	1,441
	315,385	581,802
Disaggregated by geographical location of customers		
– Mainland China	**257,100**	500,220
– Hong Kong	**58,285**	81,582
	315,385	581,802

Revenue from sales of watch accessories and commodity trading is recognised to be the point in time.

Revenue from provision of shop design and decoration service is recognised progressively over time.

The geographical analysis above includes investment properties rental income from external customers in Mainland China for the six months ended 30 June 2025 of RMB1,071,000 (six months ended 30 June 2024: RMB1,441,000).

(b) Information about profit or loss and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the profit or loss and assets attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "gross profit".

Segment assets represent inventories only, without eliminating the unrealised inter-segment profits.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	High-end consuming accessories		**Commodity trading**		**Total**	
For the six months ended 30 June	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**248,095**	352,339	**66,219**	228,022	**314,314**	580,361
Inter-segment revenue	**55,235**	87,672	**–**	–	**55,235**	87,672
Reportable segment revenue	**303,330**	440,011	**66,219**	228,022	**369,549**	668,033
Reportable segment gross profit	**55,343**	68,915	**9,168**	26,448	**64,511**	95,363

	High-end consuming accessories		**Commodity trading**		**Total**	
	30 June 2025	31 December 2024	**30 June 2025**	31 December 2024	**30 June 2025**	31 December 2024
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment assets	**62,042**	69,420	**79,454**	106,012	**141,496**	175,432

(c) Reconciliations of reportable segment profit or loss

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue		
Total revenue for reportable segments	**369,549**	668,033
Elimination of inter-segment revenue	**(55,235)**	(87,672)
Consolidated revenue	**314,314**	580,361
Profit		
Total gross profit for reportable segments	**64,511**	95,363
Other revenue	**32,385**	33,322
Other net gain/(loss)	**54,219**	(25,686)
Distribution costs	**(27,513)**	(32,093)
Administrative expenses	**(91,829)**	(88,126)
Share of (loss)/profits of associates	**(2,863)**	26,514
Finance costs	**(1,506)**	(2,719)
Consolidated profit before taxation	**27,404**	6,575

4. OTHER REVENUE AND OTHER NET GAIN/(LOSS)

(a) Other revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest income	**18,918**	20,690
Rental income	**1,071**	1,441
Government grants	**1,931**	552
Dividend income from other investments	**8,876**	3,955
Others	**1,589**	6,684
	32,385	33,322

(b) Other gain/(loss)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Net foreign exchange gain/(loss)	**45,420**	(26,269)
Net loss on disposal of property, plant and equipment	**(88)**	(26)
Net gain on disposal of a subsidiary	**1**	–
Fair value gain on financial assets held for trading	**8,886**	609
	54,219	(25,686)

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest on bank loans	**947**	2,036
Interest on lease liabilities	**386**	327
Bank charges	**173**	356
	1,506	2,719

(b) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Amortisation	**441**	257
Depreciation		
– Investment properties and property, plant and equipment	**21,322**	28,177
– Right-of-use assets	**4,872**	4,638
Expenses relating to short-term leases and leases of low-value assets	**1,273**	1,012

6. INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
Hong Kong Profits Tax	**–**	26
Mainland China Income Tax	**1,131**	3,674
	1,131	3,700
Deferred taxation	**240**	2,376
	1,371	6,076

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2024: 16.5%) to the six months ended 30 June 2025, 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 2024.

Taxation for other overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries or jurisdictions.

7. EARNING/(LOSS) PER SHARE

(a) Basic earning/(loss) per share

The calculation of basic earning/(loss) per share is based on the profit attributable to equity shareholders of the Company of RMB26,308,000 (six months ended 30 June 2024: loss attributable to equity shareholders of the Company of RMB2,504,000) and the weighted average of 4,404,018,959 ordinary shares (six months ended 30 June 2024: 4,404,018,959 ordinary shares) in issue during the interim period.

(b) Diluted earning/(loss) per share

There were no dilutive potential ordinary shares during the period ended 30 June 2025 and 2024, and therefore, diluted earning/(loss) per share are the same as basic earning/(loss) per share.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for office use, and therefore recognised the additions to right-of-use assets of RMB4,665,000 (six months ended 30 June 2024: RMB3,578,000).

(b) Acquisitions of owned assets

During the six months ended 30 June 2025, the Group mainly acquired items of machinery and construction in progress with a cost of RMB3,208,000 (six months ended 30 June 2024: RMB35,083,000).

9. INTERESTS IN ASSOCIATES

	At 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Unlisted corporate entities		
Share of net assets	**155,343**	161,164

10. OTHER INVESTMENTS

(a) Equity investments at fair value through other comprehensive income

	At 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Equity securities designated at FVOCI (non-recycling)		
– Listed securities	**163,204**	177,779
– Unlisted fund investments	**211,350**	224,461
	374,554	402,240

Notes:

(i) The value of the above equity securities and fund investments was individually insignificant (individually less than 5% of the Group's total assets).

(b) Equity investments at fair value through profit or loss

	At 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Equity securities, at fair value		
– Listed securities	**20,546**	12,181

11. INVENTORIES

	At 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Raw materials	**18,990**	17,493
Work in progress	**43,764**	45,001
Finished goods and merchandise	**78,742**	112,938
	141,496	175,432

12. 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 30 June 2025 (Unaudited) *RMB'000*	At 31 December 2024 (Audited) *RMB'000*
Current assets		
Within 3 months	**107,863**	243,018
Over 3 months but less than 12 months	**268,214**	213,785
Over 12 months	**1,259**	1,846
Trade receivables, net of loss allowance	**377,336**	458,649
Other receivables, net of loss allowance	**73,897**	71,969
PRC value added tax receivables	**21,576**	28,860
Interest receivables	**9,186**	5,861
Dividend receivables	**495**	–
	482,490	565,339
Prepayment and deposits	**49,241**	50,866
	531,731	616,205
Non-current assets		
Prepayment and deposits	**8,708**	7,894
	540,439	624,099

Trade receivables are due within 30 to 360 days from the date of billing. All of the trade and other receivables in current assets are expected to be recovered within one year.

13. DEPOSITS WITH BANKS

	At 30 June 2025 (Unaudited) ***RMB'000***	At 31 December 2024 (Audited) *RMB'000*
Deposits with original maturities over three months	**100,876**	329,600

14. CASH AND CASH EQUIVALENTS

As at 30 June 2025 and 31 December 2024, all of the Group's cash and cash equivalents in the consolidated statement of financial position represent cash at bank and cash in hand.

15. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

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 30 June 2025 (Unaudited) ***RMB'000***	At 31 December 2024 (Audited) *RMB'000*
Within 1 month	**45,878**	66,119
Over 1 month but less than 3 months	**10,500**	20,738
Over 3 months but less than 12 months	**6,006**	4,502
Over 12 months	**5,887**	6,475
Trade payables	**68,271**	97,834
Contract liabilities	**23,863**	29,748
Other payables and accrued expenses	**37,584**	41,195
	129,718	168,777

16. BANK LOANS

	At 30 June 2025 (Unaudited) ***RMB'000***	At 31 December 2024 (Audited) *RMB'000*
Bank loans within one year or on demand		
– Secured	**36,054**	45,953
Bank loans after one year		
– Secured	**12,812**	12,050
	48,866	58,003

At 30 June 2025, the banking facilities of certain subsidiaries were secured over their land and buildings with an aggregate carrying value of RMB177,443,000 (31 December 2024: RMB170,687,000).

17. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Board does not recommend or declare the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(b) Shares granted under share award scheme

Pursuant to a share award scheme approved by the Board in 2015, the Company may purchase its own shares and grant such shares to certain employees or consultants of the Group.

The Share Award Scheme was due and terminated on the date of the tenth anniversary of the adoption date, being 25 March 2025.

During the period ended 30 June 2025 and 2024, no shares were granted under shares award scheme.

18. COMMITMENTS

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report

	At 30 June 2025 (Unaudited) ***RMB'000***	At 31 December 2024 (Audited) *RMB'000*
Contracted for	**13,285**	13,184

19. MATERIAL RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2025 ***RMB'000***	2024 *RMB'000*
Shop design and decoration services provided to Primetime Group	**7,611**	11,257
Other goods and services provided to Primetime Group	**1,073**	–
Goods and services purchased from associates	**–**	38,660
Rental and electricity income from associates	**28**	28

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, the global environment remained complex and volatile, with uncertainties such as increasing trade barriers, intensifying trade frictions and continuing geopolitical conflicts weighing on the momentum of global economic growth. Under these pressures, China's economic growth slowed down but maintained stable amidst multiple domestic and external challenges. Still, the country's economy remained resilient as it carried on with steady and sound development. In the face of a complex and volatile operating environment, the Group has adapted its business to market changes by adhering to the principle of "sound, steady and long-term operations" in order to preserve its market position and pursue new opportunities as well as make every effort to safeguard the interests of its shareholders.

I. Financial Review

Revenue

For the six months ended 30 June 2025, the Group recorded revenue of RMB314,314,000 (six months ended 30 June 2024: RMB580,361,000), representing a year-on-year decrease of 45.8%; the revenue from high-end consuming accessories business amounted to RMB248,095,000 (six months ended 30 June 2024: RMB352,339,000), representing a year-on-year decrease of 29.6%; the revenue from commodity trading amounted to RMB66,219,000 (six months ended 30 June 2024: RMB228,022,000), representing a year-on-year decrease of 71.0%.

Breakdown of revenue: (for the six months ended 30 June)

	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
High-end Consuming Accessories	**248,095**	**78.9**	352,339	60.7
Commodity Trading	**66,219**	**21.1**	228,022	39.3
Total	**314,314**	**100**	580,361	100

Gross profit and gross profit margin

For the six months ended 30 June 2025, the Group's gross profit amounted to approximately RMB64,511,000 (six months ended 30 June 2024: RMB95,363,000), representing a year-on-year decrease of 32.4%. Gross profit margin was approximately 20.5% (six months ended 30 June 2024: 16.4%), representing a year-on-year increase of 4.1 percentage point, which was mainly attributable to factors such as lower cost of sales of high-end consuming accessories and changes in commodity portfolio.

Profit for the period

During the period under review, the Group recorded a profit of RMB26,033,000 (six months ended 30 June 2024: profit of RMB499,000), representing a year-on-year increase of 5,117.0%. Profit attributable to equity shareholders amounted to RMB26,308,000 (six months ended 30 June 2024: loss of RMB2,504,000), representing a year-on-year increase of 1,150.6%. The profit was mainly attributable to foreign exchange gains incurred by the operating units as a result of exchange rate fluctuations.

Financial status and net debt to equity ratio

The Group maintained a sound and stable financial position. As at 30 June 2025, the Group had total equity of RMB3,204,832,000 (at 31 December 2024: RMB3,279,504,000) and net current assets of RMB1,848,144,000 (at 31 December 2024: RMB1,878,500,000), with cash and cash equivalents and deposits with banks of RMB1,296,383,000 (at 31 December 2024: RMB1,266,636,000) and total bank loans of RMB48,866,000 (at 31 December 2024: RMB58,003,000). As at 30 June 2025, the bank loans bearing interests at floating rates of 2.4% to 3.2% (at 31 December 2024: 2.3% to 3.2%). As at 30 June 2025, approximately 72% (at 31 December 2024: 78%) and 28% (at 31 December 2024: 22%) of bank loans were denominated in RMB and NTD, respectively. The maturity profile of bank loans is set out in the notes to the accompanying financial statements. During the period under review, there was no sign of significant changes in the Group's demand for loans in a particular quarter.

As at 30 June 2025, the Group's total debt amounted to RMB48,866,000 (at 31 December 2024: RMB58,003,000). The net debt to equity ratio of the Group was zero (at 31 December 2024: zero). Net debt is defined as total debt (which includes total interest-bearing borrowings) less cash and cash equivalents and deposits with banks. It established a solid foundation for the further business expansion of the Group.

The Group adopts prudent treasury policies in financial and cash management, manages bank credit availability and monitors risks of credit cost centrally in various ways. The Group maintains a good partnership with a number of banks which provide financing facilities, and reviews its funding liquidity and financing needs regularly.

Foreign exchange risk

The Group's transactions are mainly denominated in HKD, RMB and USD. Therefore, the Group is exposed to foreign exchange risks. During the period under review, the Group has been actively monitoring its foreign exchange risk and has adopted a foreign exchange hedging policy for significant foreign exchange risks.

Pledge of assets

As at 30 June 2025, the Group had land and buildings equivalent to RMB177,443,000 (at 31 December 2024: RMB170,687,000) pledged as security for mortgage.

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities (at 31 December 2024: Nil).

Current assets

As at 30 June 2025, the current assets of the Group amounted to approximately RMB2,024,262,000 (at 31 December 2024: RMB2,105,424,000), comprising inventories of approximately RMB141,496,000 (at 31 December 2024: RMB175,432,000), trade and other receivables of approximately RMB531,731,000 (at 31 December 2024: RMB616,205,000), loans to associates of approximately RMB34,077,000 (at 31 December 2024: RMB34,719,000), cash and cash equivalents and deposits with banks of approximately RMB1,296,383,000 (at 31 December 2024: RMB1,266,636,000).

As at 30 June 2025, cash and cash equivalents of approximately 24% (at 31 December 2024: 22%), 49% (at 31 December 2024: 54%) and 27% (at 31 December 2024: 24%) were denominated in RMB, HKD and other currencies, respectively.

Current liabilities

As at 30 June 2025, the current liabilities of the Group amounted to approximately RMB176,118,000 (at 31 December 2024: RMB226,924,000), comprising bank loans of approximately RMB36,054,000 (at 31 December 2024: RMB45,953,000), trade and other payables of approximately RMB129,718,000 (at 31 December 2024: RMB168,777,000), lease liabilities of approximately RMB10,180,000 (at 31 December 2024: RMB9,188,000), and current tax payable of approximately RMB166,000 (at 31 December 2024: RMB3,006,000).

Capital structure

The Company's capital structure is composed of issued share capital, reserves and accumulated profits. As at 30 June 2025, the issued share capital of the Company was 4,404,018,959 shares (at 31 December 2024: 4,404,018,959 shares) with reserves and accumulated profits of RMB3,113,909,000 (at 31 December 2024: RMB3,188,320,000) in total.

Significant investment, material acquisition and disposal

The Company had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the period under review, except as disclosed in the notes to the financial statements.

Except as disclosed in the notes to the financial statements, the Company did not hold other significant investments during the period under review.

II. Business Review

During the period under review, the Group's business was primarily focused on manufacturing high-end consuming accessories, building up high-end consuming service platforms, international commodity trading and its related supply chain services.

High-end Consuming Accessories Service

The Group has a mature industrial chain for high-end consuming accessories manufacturing, with companies located in Suzhou, Guangzhou and Dongguan, mainly covering the manufacturing of watches, jewellery, cosmetics, mobile phones and accessories and packaging products, commercial space design, production and decoration.

The two companies, "Guangzhou Artdeco" and "Dongguan Born Talent", mainly produce high-end watch boxes and watch accessories for various types of watches. After years of development, we have achieved remarkable progress and success in all aspects, with products transitioned from low-end to high-end, from simple processing to independent innovative designs, and from purely handmade to automated.

"Suzhou Henge" is a commercial space integration service enterprise engaged in product design, production, on-site installation and after-sales service, with products comprising the design and decoration for each type of counters, props and various stores.

During the period under review, in view of uncertainties in the international market and the slowdown in domestic economic growth, the Group's high-end consuming accessories business continued to face pressure. The Group has taken various measures to cope with the complicated operating environment, and continued to broaden its business models, acquire new customers and develop new products through innovative approaches. At the same time, the Group has enhanced its technological innovation capabilities, accelerated its mechanization, and standardized and strengthened its information and automation management. All these measures have yielded effective results and improved our ability to cope with risks. During the period under review, the sales performance and profit of the high-end consuming accessories business both recorded year-on-year decreases due to the impact of the operating environment.

After years of development, all companies under the Group have achieved ISO9000 quality management certification, which provides strong support for the manufacturing of high-quality products. The companies have earned a solid reputation in their respective fields, forming tight relationships, mutual trust and interest sharing with brand suppliers. The Group has a wide customer base covering China, Switzerland, the United States and other countries in the Asia Pacific region. The application of advanced information management systems, such as the industry-leading Enterprise Resource Planning (ERP), Building Information Modeling (BIM), and Manufacturing Execution System (MES), provides a solid guarantee for efficient and compliant corporate operations.

In the second half of the year, the Group will adapt to market changes by further strengthening its R&D and innovation in industrial management and technology, with a focus on prioritizing quality and driving growth by innovation. The Group will proactively seek opportunities for horizontal and vertical integration of products in the industry, so as to further improve its leadership in the industry. The Group will focus on expanding the manufacturing of high-end consuming accessories, and deepen its cooperation with brands and international counterparts. We will continue to enhance our integrated service capabilities in commercial space for both Mainland China and international markets.

Moreover, the Group will also render full support to promote a limited number of diversified business activities, striving to expand the manufacturing of high-end consuming accessories to other high-end lifestyle products such as jewellery, cosmetics and mobile phones, and at the same time, expanding its commercial space beautification services to living space beautification services, endeavoring to become an indispensable and independent party in the global industrial ecological chain of high-end consumption.

International Trading

During the period under review, the Group continued to carry out the international commodity trading business in line with its established strategy. The business mainly covers the importation of iron ore, thermal coal and coking coal to Mainland China. Global demand for iron ore grew at a slower pace and prices weakened due to dampening economic prospects as a result of trade frictions. Impacted by fluctuating decline in sales prices of ore sand and weakened customer purchasing intentions, the sales and gross profits of the international commodity trading business decreased as compared to the same period last year but still maintained profitability. The Group planned to establish a bulk cargo transshipment logistics park in Mexico integrating customs clearance, import, transportation and warehousing, and has initiated collaborations with and provided services to multiple large-scale enterprises and listed companies in China.

In the second half of the year, the Group will continue to keep abreast of market dynamics, promptly and prudently carry out international commodity trading activities and explore new profit models and future development directions, in order to lay a solid foundation for the Group's sustainable development.

International Shipping

During the period under review, the Group's international shipping business mainly focused on the global maritime transportation of dry bulk cargo, such as coal, iron ore, manganese ore, bauxite, grain and industrial salt. Our clientele includes internationally renowned mining enterprises and large central state-owned enterprises and listed companies in China.

During the period under review, the global dry bulk shipping market was volatile, which affected the freight rates. The Group closely monitored the market conditions, continued to expand its business by developing new customers and signing long voyage transportation contracts with its customers to lock in long-term profits for the Company. In the first half of the year, affected by market fluctuations, both the revenue and profit of the Group's shipping business recorded a decline.

China is the world's major importer of bulk raw materials. With the changes in the international economic environment and geopolitical situation, there is still uncertainty in the shipping market in the short term, but the dry bulk shipping market is expected to improve and recover. In the second half of the year, the Group will further intensify its expansion efforts in China's shipping market, delivering enhanced shipping services to existing clients. Simultaneously, the Group will expand its global footprint while maintaining a prudent and stable operating strategy to proactively broaden its customer base, new cargoes and new shipping routes, enhance its vessel capacity and competitiveness in the market, and strictly control its operating costs to achieve stable growth in profits, thereby making positive contributions to the further development of the Group.

III. Social Responsibility and Human Resources

The Group has always been advocating the corporate spirit of "mutual respect, shouldering responsibility, close collaboration and ongoing innovations" under the "people-oriented" core value, which serves as the solid cornerstone of our corporate management and social responsibility.

As at 30 June 2025, the Group had a total of 1,285 employees in Mainland China, Hong Kong, Macau, Taiwan and Malaysia (30 June 2024: 1,409 employees), and the total employee cost was RMB105,981,000 (six months ended 30 June 2024: RMB110,651,000). Having always been committed to developing and adding value to human resources, the Group implements a standard recruitment system and allocates resources in an organized manner to various kinds of training for our managers, employees at all levels and front-line staff of our Company, including, among others, the art of management, optimization of technology, brand knowledge and service awareness, with an aim of enhancing knowledge, manufacturing skills and service capabilities of our staff.

The Group offers a competitive remuneration package and various incentives to all employees, and regularly reviews the structure of relevant mechanisms to cope with corporate development needs. Meanwhile, the Group also offers other benefits to its employees, including mandatory provident fund scheme, insurance scheme, housing and meal allowances.

The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload and years of service in the Group;

- The non-monetary benefits are determined by the Board and are provided in the remuneration package of the Directors or the employees;

- The Directors and the eligible employees may be granted options or awarded shares of the Company as determined by the Board to be part of their remuneration package.

Environmental protection is one of the top priorities for the Group's sustainable development. During the period under review, the branches and subsidiaries of the Group carried out strict quality control procedures on products in full accordance with national quality standards, fully safeguarding the interests of clients and consumers. All branches and subsidiaries were also in strict compliance with national regulations. Reports on pollutants were submitted regularly to environmental authorities as required. All pollutant emissions including sewage and gas have passed inspection and met national standards.

Apart from its efforts in achieving business results and creating brand value, the Group also actively participated in public welfare activities, proactively assuming corporate social responsibility and giving back to society.

IV. Outlook

At present, the international political and economic environment is experiencing increased turbulence, with trade barriers and trade frictions worsening. Facing this severe external environment, the economy of Mainland China is also encountering difficulties and challenges, including insufficient demand, sluggish consumption awaiting stimulation, and ongoing structural adjustments. Nevertheless, the economy of Mainland China has a stable foundation, strong resilience and great potential, and the long-term positive development trajectory remains unchanged. With the implementation and refinement of various policies and measures by the Chinese government, we maintain full confidence in the long-term sustainable economic growth of Mainland China.

In the second half of the year, the Group will continue to adhere to the principle of "sound, steady, and long-term operations", and will leverage the stable business environment in Mainland China that "pursues stability while seeking progress" to keep abreast of the market trend and further advance the progress of international trade business prudently and steadily. Additionally, the Group will continuously expand the shipping business, which is closely related to international trade, and strive to become an important participant in the international shipping supply chain, so as to provide support for the breakthroughs in corporate development.

The Group will also adapt to changing market demands and continuously enhance its integrated service capabilities in commercial space for both Mainland China and international markets. We will adjust the manufacturing of high-end accessories for renowned watches while promoting a limited number of diversified business activities and expanding high-end consuming accessories manufacturing to other high-end lifestyle products, such as jewellery, eyeglasses, cosmetics, mobile phones and other 3C products. Additionally, we will expand our commercial space beautification services to living space beautification services, thus becoming an indispensable and independent segment in the ecological chain of high-end consuming accessories.

DIVIDEND DISTRIBUTION

The Board does not recommend or declare the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

EQUITY-LINKED AGREEMENTS

Share Award Scheme

On 25 March 2015, a share award scheme was adopted by the Company to recognize the contributions of certain participants to the Company and to attract suitable personnel for the growth and further development of the Company (the "Share Award Scheme").

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid for a term of ten (10) years commencing on the adoption date. The Board may select any participants, other than any excluded participant, for participation in the Share Award Scheme and determine the award amount for the purchase of the awarded shares to be awarded to the selected participants. Among which:

The "Participant" refers to (i) any senior management employee, including without limitation the director, executive officer and manager-grade employee, whether full time or part time, employed by the Company and/or its subsidiaries from time to time; and (ii) any consultant employed by the Company and/or its subsidiaries;

The "Excluded Participant" refers to (i) at the time of the proposed grant of an award under the Share Award Scheme, any Participant whose service in the Company or its subsidiaries (as the case may be) does not exceed one year from the expiry date of his or her probationary period as stated in his or her employment contract with the Company or its subsidiaries (as the case may be), or (ii) any Participant who is resident in a place where, in the view of the Board or the trustee of the Share Award Scheme (the "Trustee") (as the case may be), the grant, vesting and/or settlement of the awarded shares pursuant to the terms of the Share Award Scheme at the time of the proposed grant, vesting and/or settlement is not permitted under the laws and regulations of such place, or compliance with the applicable laws and regulations of such place makes it necessary or expedient to exclude such Participant.

The Board is entitled to impose any conditions (including a period of continued service within the Group), as it deems appropriate in its absolute discretion with respect to the entitlement of the selected participants to the awarded shares. No consideration for the awarded shares is needed to be paid by the selected participants to the Company. The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company as at the adoption date. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme in a 12-month period shall not exceed 0.5% of the issued share capital of the Company as at the adoption date or such number of shares as determined by the Board from time to time.

There is no minimum vesting period for the awarded shares awarded under the Scheme, provided that the Board shall have absolute discretion to determine the vesting conditions for any awarded shares. The Share Award Scheme does not require the grantees who are awarded the awarded shares to accept the awards within a prescribed time period, but in the event that the Company receives a rejection letter within three (3) business days from the date of the offer letter issued for the awarded shares, the Company's offer to the grantees shall for all intents and purposes be deemed withdrawn from the outset as if no offer letter had ever been issued.

If the Company decides to award the awarded shares to the Participant under the Share Award Scheme, the Company will instruct the Trustee to acquire the shares of the Company on the Stock Exchange, and the Trustee will transfer such awarded shares to the Participant upon vesting. No consideration for the awarded shares is needed to be paid by the persons who are awarded the awarded shares to the Company or the Trustee. For the avoidance of doubt, all awarded shares awarded and to be awarded are existing shares of the Company, and no new shares will be issued for the Share Award Scheme.

During the period under review, the Company did not grant any awarded shares (for the six months ended 30 June 2024: Nil).

The Share Award Scheme was due and terminated on the date of the tenth anniversary of the adoption date, being 25 March 2025.

Share Option Scheme

At the annual general meeting of the Company held on 15 May 2015, the share option scheme was adopted conditionally (the "Share Option Scheme").

The Share Option Scheme of the Company was adopted to grant options to selected participants including but not limited to Directors and employees of the Group as incentives or rewards for their contributions to the Group. Subject to any early termination as may be determined by the Board, the Share Option Scheme shall be valid and effective for a term of ten (10) years commencing on the adoption date.

Under the Share Option Scheme, subject to the discretion of the Directors, there is no minimum period for which an option must be held before it can be exercised. Each option has a maximum valid period of ten years after which the option shall lapse. The total number of shares issued and to be issued upon exercise of the options granted to the eligible participants in any 12-month period must not exceed 1% of the shares in issue. The exercise price shall not be less than the higher of: (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the share option; (ii) the average of the closing prices per shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant of the share option; and (iii) the nominal value of the shares.

Under the Share Option Scheme, the grantee shall accept the option within ten days from the date of the offer to grant the share option and pay HKD1.00 to the Company as consideration for the grant upon acceptance of the option.

The Company has not granted any share options under the Share Option Scheme during the period under review. As of 30 June 2025, the number of issued shares of the Company was 4,404,018,959 shares, and there was no option outstanding (30 June 2024: Nil).

The Share Option Scheme was due and terminated on 14 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, neither the Company nor its subsidiaries repurchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) (for the six months ended 30 June 2024: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has always been committed to maintaining a high standard of corporate governance to ensure a higher level of transparency in the Group, such that the interests of our shareholders and the cooperative development among our customers, employees and the Group can be safeguarded.

The Company has adopted the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Directors are of the opinion that the Company complied with the code provisions under the Corporate Governance Code except for the deviation from provision C.2.1 during the period under review. Given the existing corporate structure, the roles of the chairman and chief executive officer have not been separated, and both are performed by Mr. Cheung Wing Lun Tony. Although the roles and duties of the chairman and chief executive officer have been performed by the same individual, all major decisions would only be made after consultation with the Board and, where applicable, by the Board, which comprises three independent non-executive Directors. Therefore, the Board is of the opinion that the Company has achieved an adequate balance of power and been able to guarantee scientific decision-making.

EVENTS AFTER THE PERIOD UNDER REVIEW

Save as disclosed in this announcement, there were no important events affecting the Group since the end of the period under review to the date of this announcement.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders for their continuous support and to all our staff for their dedication and contribution to the Group during the period under review.

By Order of the Board
Cheung Wing Lun Tony
Chairman

Hong Kong, 20 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Cheung Wing Lun Tony (Chairman) and Mr. Lee Shu Chung, Stan; the non-executive director is Mr. Shi Zhongyang; the independent non-executive directors are Mr. Cai Jianmin, Mr. Liu Xueling and Ms. Qian Weiqing.