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## **LITU HOLDINGS LIMITED**

**力圖控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1008)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors”) of Litu Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 (the “Period under Review”) together with the comparative figures for the corresponding period in 2024 as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations:</b>			
Revenue	4	<b>307,944</b>	318,598
Cost of sales		<b>(249,028)</b>	(239,550)
Gross profit		<b>58,916</b>	79,048
Other income		<b>11,606</b>	9,539
Other net gains and losses	7	<b>(23,268)</b>	1,511
Selling and distribution expenses		<b>(3,744)</b>	(5,775)
Administrative expenses		<b>(30,371)</b>	(39,378)
Finance costs	8	<b>(2,611)</b>	(1,980)
Profit before taxation	8	<b>10,528</b>	42,965
Taxation	6	<b>(7,578)</b>	(11,278)

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<i>Notes</i>			
	<b>Profit for the period from continuing operations</b>	<b>2,950</b>	31,687
	<b>Discontinued operations:</b>		
	Loss for the period from discontinued operations	13(a) <u>—</u>	<u>(4,108)</u>
	<b>Profit for the period</b>	<b><u>2,950</u></b>	<b><u>27,579</u></b>
	<b>Attributable to:</b>		
	Owners of the Company		
	— continuing operations	<b>2,950</b>	31,687
	— discontinued operations	<u>—</u>	<u>(2,876)</u>
		<b><u>2,950</u></b>	<b><u>28,811</u></b>
	Non-controlling interests		
	— discontinued operations	<u>—</u>	<u>(1,232)</u>
	<b>Profit for the period</b>	<b><u>2,950</u></b>	<b><u>27,579</u></b>
	<b>Other comprehensive income (loss)</b>		
	<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
	— Exchange differences arising on translation to presentation currency	<u><b>41,442</b></u>	<u>(45,199)</u>
	<b>Total comprehensive income (loss) for the period</b>	<b><u>44,392</u></b>	<b><u>(17,620)</u></b>
	<b>Attributable to:</b>		
	Owners of the Company	<b>44,392</b>	(15,845)
	Non-controlling interests	<u>—</u>	<u>(1,775)</u>
	<b>Total comprehensive income (loss) for the period</b>	<b><u>44,392</u></b>	<b><u>(17,620)</u></b>
		<b>HK\$</b>	<b>HK\$</b>
	<b>Basic and diluted earnings (losses) per share</b>		
	— continuing operations	<b>0.002</b>	0.020
	— discontinued operations	<u>—</u>	<u>(0.002)</u>
	— Total continuing operations and discontinued operations	<b><u>0.002</u></b>	<b><u>0.018</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>617,546</b>	634,802
Right-of-use assets		<b>47,430</b>	46,612
Investment properties		<b>637,645</b>	231,607
Goodwill		<b>616,846</b>	595,585
Intangible assets		<b>417</b>	419
Deferred tax assets		<b>4,995</b>	6,180
Prepayments and rental and other deposits paid		<b>4,277</b>	16,317
		<b>1,929,156</b>	1,531,522
<b>Current assets</b>			
Inventories		<b>29,921</b>	53,785
Trade receivables	<i>11</i>	<b>197,992</b>	211,236
Contract assets		<b>22,767</b>	13,430
Other receivables, prepayments and refundable deposits		<b>108,182</b>	66,676
Tax recoverable		<b>86</b>	83
Pledged bank deposits		<b>85,540</b>	60,484
Bank balances and cash		<b>78,073</b>	570,949
		<b>522,561</b>	976,643
Assets classified as held for sale	<i>13(b)</i>	<b>148,977</b>	175,360
		<b>671,538</b>	1,152,003

		<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade payables	12	<b>147,757</b>	189,097
Other payables and accruals		<b>94,772</b>	85,473
Lease liabilities		<b>72</b>	138
Bank borrowings		<b>147,920</b>	207,213
Income tax payable		<b>7,558</b>	14,653
		<b>398,079</b>	496,574
<b>Net current assets</b>		<b>273,459</b>	655,429
<b>Total assets less current liabilities</b>		<b>2,202,615</b>	2,186,951
<b>Non-current liabilities</b>			
Government grants		<b>16,990</b>	17,282
Lease liabilities		<b>219</b>	211
Deferred tax liabilities		<b>34,307</b>	31,393
		<b>51,516</b>	48,886
<b>NET ASSETS</b>		<b>2,151,099</b>	2,138,065
<b>Capital and reserves</b>			
Share capital		<b>7,839</b>	7,839
Reserves		<b>2,163,066</b>	2,153,500
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale		<b>(19,806)</b>	(23,274)
Equity attributable to owners of the Company		<b>2,151,099</b>	2,138,065
Non-controlling interests		<b>–</b>	–
<b>TOTAL EQUITY</b>		<b>2,151,099</b>	2,138,065

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. GENERAL

Litu Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Cai Xiao Ming, David (the “Controlling Shareholder”). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 3/F, 38 On Lok Mun Street, On Lok Tsuen, Fanling, New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are engaged in provision of the printing of cigarette packages, manufacturing of paper packaging materials, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services and leasing of investment properties.

The Company’s functional currency is Renminbi (“RMB”). For the convenience of the financial statements users, the condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the Company’s shares are listed on the Stock Exchange.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following revised HKFRS Accounting Standards that are effective for the Group's financial year beginning on 1 January 2025.

#### **Application of amendments to HKFRS Accounting Statements**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### **Future Changes in HKFRS Accounting Standards**

The Group has not early adopted any new/revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2025. The directors are in the process of assessing the possible impact of the future adoption of these new/revised HKFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Group's results and financial position.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity
Annual Improvements to HKFRS Accounting Standards	Volume 11
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

#### 4. REVENUE

An analysis of revenue of the Group is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>		
<i>Revenue from contracts with customers within HKFRS 15</i>		
Sale of goods	<b>280,124</b>	301,621
<i>Revenue from other sources</i>		
Leasing income from investment properties	<b>27,820</b>	16,977
	<b>307,944</b>	318,598
<b>Discontinued operations</b>		
<i>Revenue from contracts with customers within HKFRS 15</i>		
Sale of goods (note 13(a))	<b>–</b>	23,504
	<b>307,944</b>	342,102

#### Disaggregation of revenue from contracts with customers within HKFRS 15

*Types of goods*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>		
Printing and manufacturing of paper packages and related materials		
— Printing of cigarette packages	<b>268,372</b>	297,233
— Manufacturing of paper packaging materials	<b>11,752</b>	4,180
— Other related products	<b>–</b>	208
	<b>280,124</b>	301,621
<b>Discontinued operations</b>		
Sales of radio frequency identification (“RFID”) products (note 13(a))	<b>–</b>	23,504
	<b>280,124</b>	325,125

*Timing of revenue recognition*

For the six months ended 30 June 2025			
	Printing of cigarette packages (Unaudited) HK\$'000	Manufacturing of paper packaging materials (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Continuing operations</b>			
A point in time	–	11,752	11,752
Over time	268,372	–	268,372
<b>Total</b>	<b>268,372</b>	<b>11,752</b>	<b>280,124</b>

For the six months ended 30 June 2024					
	Printing of cigarette packages (Unaudited) HK\$'000	Manufacturing of paper packaging materials (Unaudited) HK\$'000	Other related products (Unaudited) HK\$'000	Sales of RFID products (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Continuing operations</b>					
A point in time	–	4,180	208	–	4,388
Over time	297,233	–	–	–	297,233
	297,233	4,180	208	–	301,621
<b>Discontinued operations</b>					
A point in time	–	–	–	23,504	23,504
<b>Total</b>	<b>297,233</b>	<b>4,180</b>	<b>208</b>	<b>23,504</b>	<b>325,125</b>

*Geographical markets*

The Group's revenue from external customers (based on the location of customers irrespective of the origin of goods) is principally generated from the People's Republic of China (the "PRC") during the six months ended 30 June 2025 and 2024.



## 5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2024, the Group ceased the business of sales of RFID products upon the completion of the disposal of a subsidiary, details of which are disclosed in note 13(a) to the interim results announcement. Sales of RFID products is no longer an operating and reportable segment by the CODM for the period ended 30 June 2025.

The Group’s operating and reportable segments currently are (i) printing and manufacturing of paper packages and related materials; and (ii) leasing of investment properties. During the period ended 30 June 2024, the Group’s operating and reportable segments also included sales of RFID products. The CODM considered the Group has two (six months ended 30 June 2024: three) operating and reportable segments which are based on the internal organisation and reporting structure.

The following is an analysis of the Group’s revenue and results by reportable segments:

### For the six months ended 30 June 2025

	Continuing operations		
	Printing and manufacturing of paper packages and related materials (Unaudited) HK\$’000	Leasing of investment properties (Unaudited) HK\$’000	Total (Unaudited) HK\$’000
Segment revenue	280,124	27,820	307,944
Segment result	45,578	9,594	55,172
Unallocated other income			11,606
Unallocated other net gains and losses			(23,268)
Unallocated expenses			(30,371)
Finance costs			(2,611)
Profit before taxation			10,528

For the six months ended 30 June 2024

	Continuing operations			Discontinued operations	
	Printing and manufacturing of paper packages and related materials (Unaudited) HK\$'000	Leasing of investment properties (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000	Sales of RFID products (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue	301,621	16,977	318,598	23,504	342,102
Segment result	68,812	4,461	73,273	(1,930)	71,343
Unallocated other income			9,539	205	9,744
Unallocated other net gains and losses			1,511	(188)	1,323
Unallocated expenses			(39,378)	(1,973)	(41,351)
Finance costs			(1,980)	(302)	(2,282)
Profit (Loss) before taxation			42,965	(4,188)	38,777

Segment result represents the profit or loss generated (incurred) by each segment without allocation of corporate management expenses, directors' emoluments, finance costs, unallocated other income, unallocated other net gains and losses, loss allowance on trade and other receivables and contract assets, net, amortisation of intangible assets relating to customer relationship and other unallocated expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

## 6. TAXATION

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>		
<b>Current tax</b>		
The PRC Enterprise Income Tax ("EIT")	<b>8,803</b>	10,257
(Over) Under provision of EIT in prior years	<b>(497)</b>	6,146
	<b>8,306</b>	16,403
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(1,929)</b>	(4,942)
Utilisation of tax losses	<b>1,201</b>	–
Benefit of tax loss recognised	<b>–</b>	(183)
	<b>(728)</b>	(5,125)
<b>Income tax expenses for continuing operations</b>	<b>7,578</b>	11,278
<b>Discontinued operations</b>		
<b>Deferred tax</b>		
Benefit of tax loss recognised	<b>–</b>	(80)
<b>Income tax credit for discontinued operations</b>	<b>–</b>	(80)
<b>Total tax charge for the period</b>	<b>7,578</b>	11,198

Hong Kong Profits Tax has not been provided as the Group's profits neither arose in, nor derived from Hong Kong.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (six months ended 30 June 2024: 15% to 25%) in the PRC. Pursuant to the "Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises", some PRC subsidiaries, being High-Tech Enterprises, were entitled to a reduced EIT rate of 15% for three years from the date of approval.

Upon the New Tax Law and Implementation Regulations coming into effect, the PRC withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries.

## 7. OTHER NET GAINS AND LOSSES

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>Continuing operations</b>		
Foreign exchange gains, net	2,947	459
Gain on disposal of property, plant and equipment	2,908	199
Impairment loss on interest in an associate classified as held for sale	(29,851)	–
Reversal of loss allowance on trade and other receivables and contract assets, net	728	853
	<u>(23,268)</u>	<u>1,511</u>
<b>Discontinued operations</b>		
Net foreign exchange gains	–	7
Reversal of for loss allowance on trade receivables and contract asset, net	–	(195)
	<u>–</u>	<u>(188)</u>
<b>Total</b>	<u><u>(23,268)</u></u>	<u><u>1,323</u></u>

## 8. PROFIT BEFORE TAXATION

This is stated after charging (crediting):

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>		
Finance costs		
— Interest expenses on bank borrowings and overdrafts	<b>2,609</b>	1,975
— Interest expenses on lease liabilities	<b>2</b>	5
	<b>2,611</b>	1,980
Staff costs:		
Directors' emoluments	<b>2,879</b>	2,861
Other staff costs		
— Salaries and other benefits	<b>22,670</b>	31,477
— Contributions to retirement benefits schemes	<b>3,706</b>	4,590
— Contractual termination benefit	<b>502</b>	2,713
Total staff costs	<b>29,757</b>	41,641
Amortisation of intangible assets (included in cost of sales)	<b>16</b>	16
Depreciation		
— Property, plant and equipment	<b>31,474</b>	41,923
— Right-of-use assets	<b>783</b>	988
— Investment properties	<b>8,304</b>	7,395
Total amortisation and depreciation	<b>40,577</b>	50,322
Cost of inventories*	<b>224,181</b>	226,416

\* Included in cost of inventories from continuing operations were staff costs and depreciation and amortisation of approximately HK\$14,930,000 and HK\$18,380,000 (six months ended 30 June 2024: HK\$17,930,000 and HK\$17,909,000) respectively which are recognised during the period.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations (continued)</b>		
Lease payments on short-term leases	977	853
Research expenses (included cost of sales)	12,241	2,043
Government grants (included in other income)	(875)	(478)
Direct operating expenses arising from investment properties that generated rental income (included in cost of sales)	12,112	946
Direct operating expenses arising from investment properties that did not generated rental income (included in cost of sales)	4,723	116
	<u>          </u>	<u>          </u>
<b>Discontinued operations</b>		
Finance costs		
— Interest expenses on bank borrowings and overdraft	—	302
	<u>          </u>	<u>          </u>
Staff costs:		
Other staff costs		
— Salaries and other benefits	—	4,553
— Contributions to retirement benefits scheme	—	795
	<u>          </u>	<u>          </u>
Total staff costs	—	5,348
	<u>          </u>	<u>          </u>
Cost of inventories	—	24,496
Research expenses (Included in cost of sales)	—	1,146
	<u>          </u>	<u>          </u>

## 9. DIVIDENDS

The aggregate amount of the dividends declared and paid during the period is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
2024 interim dividend	–	31,358
2024 final dividend	<u>31,358</u>	<u>–</u>
	<u><b>31,358</b></u>	<u><b>31,358</b></u>

The directors of the Company had resolved to pay an interim dividend of HK2 cents per share in respect of the six months ended 30 June 2024 amounting to approximately HK\$31,358,000, which was paid during the second half of the year ended 31 December 2024.

The final dividend of HK2 cents per share in respect of the year ended 31 December 2024, amounting to approximately HK\$31,358,000, was declared and paid during the six months ended 30 June 2025.

The directors of the Company do not recommend the payment of a dividend in respect of the interim period.

## 10. EARNINGS (LOSSES) PER SHARE

The calculation of basic earnings (losses) per share attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings (Losses):</b>		
Profit (Loss) for the period attributable to owners of the Company for the purpose of basic earnings (losses) per share (HK\$'000)		
— Continuing operations	<b>2,950</b>	31,687
— Discontinued operations	<u>–</u>	<u>(2,876)</u>
	<u><b>2,950</b></u>	<u><b>28,811</b></u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue for the purpose of basic earnings (losses) per share ('000)	<u><b>1,567,885</b></u>	<u><b>1,567,885</b></u>

Dilutive earnings (losses) per share are same as the basic earnings (losses) per share as there were no potential ordinary shares in existence during the six months ended 30 June 2025 and 2024.

## 11. TRADE RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables from		
— third parties	180,496	194,696
— a former subsidiary	21,620	20,896
	<u>202,116</u>	<u>215,592</u>
Less: allowance for credit losses	(4,124)	(4,356)
	<u>197,992</u>	<u>211,236</u>

The Group allows a credit period of 60 days to 90 days to its trade customers. The following is an ageing analysis of trade receivables presented based on the date of goods delivery/invoice date at the end of the reporting period, which approximated revenue recognition dates except for receivables arising from printing of cigarette packages which are recognised over time upon application of HKFRS 15.

At the end of the reporting period, the ageing analysis of trade receivables (before allowance for credit losses) by invoice date is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0–90 days	166,564	185,119
91–180 days	5,279	3,451
181–365 days	3,204	416
Over 365 days	27,069	26,606
	<u>202,116</u>	<u>215,592</u>

As at 30 June 2025, included in trade receivables were bills receivables of HK\$2,732,000 (31 December 2024: HK\$2,237,000), which are held by the Group for future settlement of trade receivables due from third parties. All bills received by the Group are with a maturity period of less than one year.



## 12. TRADE PAYABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables — third parties	<u>147,757</u>	<u>189,097</u>

The following is an ageing analysis of trade payables, presented based on the date of goods receipt/invoice date at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0–30 days	60,373	50,814
31–90 days	41,943	71,522
91–180 days	33,134	61,711
181–365 days	12,184	4,912
Over 365 days	<u>123</u>	<u>138</u>
	<u>147,757</u>	<u>189,097</u>

The credit period on purchases of goods ranges from 30 days to 180 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit time frame.

As at 30 June 2025, bills amounting to HK\$96,373,000 (31 December 2024: HK\$70,954,000) were transferred to suppliers for settling trade payables.

## 13. DISCONTINUED OPERATIONS AND ASSETS (AND DISPOSAL GROUPS) CLASSIFIED AS HELD FOR SALE

### (a) Disposal of a subsidiary

On 29 May 2023, Right Tech (China) Limited, being a wholly-owned subsidiary of the Company, entered into an agreement with a third party to dispose of 70% equity interest in Jiangsu HY Link Science & Technology Co., Ltd. (江蘇聯恒物宇科技有限公司) (“Jiangsu HY Link”) at a consideration of RMB51,100,000 (equivalent to approximately HK\$56,018,000). Details of the disposal have been disclosed in the Company’s announcement and circular dated 29 May 2023 and 26 July 2023 respectively. The disposal was completed on 1 July 2024. Upon completion of the disposal, the Group ceased to have any interest in Jiangsu HY Link.

(b) Disposal of interest in an associate

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Assets classified as held for sale in respect of disposal of interests in an associate	<u>148,977</u>	<u>175,360</u>

Litu Investment & Development Limited (“Litu Investment & Development”), being a wholly-owned subsidiary of the Company, entered into a framework agreement with a third party (the “First Purchaser”), being the major shareholder of Changde Gold Roc Printing Co., Ltd. 常德金鹏印務有限公司 (“Changde Gold Roc”), effective on 28 December 2023 to dispose of its 31% equity interest in Changde Gold Roc. Details of the disposal have been disclosed in the Company’s announcement dated 28 December 2023. On 4 December 2024, the First Purchaser and Litu Investment & Development entered into an agreement to terminate the Framework Agreement (the “Termination Agreement”), pursuant to which Litu Investment & Development and the First Purchaser agreed that Litu Investment & Development can continue the sales of its equity interests in Changde Gold Roc to other third parties.

On 22 April 2025, Litu Investment & Development entered into a new framework agreement with another third party (the “Second Purchaser”). On 20 May 2025, Litu Investment & Development and the Second Purchaser entered into a conditional sale and purchase agreement (the “Disposal Agreement”) to dispose of the Group’s 31% equity interest in Changde Gold Roc at a consideration of RMB142,500,000 (equivalent to approximately HK\$152,800,000) (the “Disposal”). Details of the Disposal have been disclosed in the Company’s announcement and circular dated 22 April 2025 and 10 June 2025 respectively. The Disposal was completed on 15 August 2025.

As at 30 June 2025 and 31 December 2024, the Group’s interest in Changde Gold Roc was classified as assets held for sale with carrying amount of approximately HK\$148,977,000 (31 December 2024: HK\$175,360,000) which was measured at the lower of its carrying amount and fair value less costs to sell. The fair value less costs to sell has been determined by market approach using direct comparison method based on the consideration of the Disposal Agreement (31 December 2024: cost approach based on adjusted net asset value method).

An impairment loss on interest in an associate classified as held for sale of HK\$29,851,000 (30 June 2024: HK\$nil) have been included in “Other net gains and losses” in the condensed consolidated statement of comprehensive income.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the six months ended 30 June 2025 (the “Period under Review”), the Company achieved revenue from continuing operations of approximately HK\$307.9 million (six months ended 30 June 2024: HK\$318.6 million) with profit attributable to owners of the Company amounting to approximately HK\$3.0 million (six months ended 30 June 2024: HK\$28.8 million) and basic earnings per share of approximately HK\$0.002 (six months ended 30 June 2024: HK\$0.018). The Board did not recommend the payment of an interim dividend (six months ended 30 June 2024: HK2 cents per share) for the Period under Review.

In the first half of 2025, the gross domestic product (GDP) of the People’s Republic of China (the “PRC”) increased by 5.3%. However, the prospects of both the global economy and the PRC’s economy remain uncertain due to global high inflation, intensifying competition between the United States and the PRC on various fronts and the ongoing war between Russia and Ukraine, all of which may have an adverse effect on the PRC’s economy and the Group’s operating environment in the second half of 2025.

During the Period under Review, given the decrease in tendering price under the mandatory tendering policy in the cigarette industry, the Group was under operating pressure of intensifying industry competition. The Group has since focused more efforts on planning and organising the tendering among the subsidiaries.

Under the pressure of the fall of tender prices and the high inflation, the Group has implemented a series of measures in order to cope with the challenges to the profitability of the Group. The measures included the simplification of management structure in order to increase the efficiency of decision making to match with the fast changing market demand, the enhancement of inventory management to control the inventory at an appropriate level and the implementation of tendering system for the purchase of raw materials to increase the bargaining power on the purchase price in order to reduce and control the purchase cost of the Group.

## **Printing and Manufacturing of Paper Packages and Related Materials**

During the Period under Review, the revenue from continuing operations of this segment decreased by 7.1% to HK\$280.1 million (six months ended 30 June 2024: HK\$301.6 million). The decrease is mainly due to the fall of tender price and decrease of sales orders from the major customers.

This segment has suffered from the failure to bid the tender for orders from some of its major customers, the fall of tender prices and the inflation, as these factors had adverse impact on the profitability of the Group. To cope with the challenges, the Group has increased its participation in tenders, actively sought other new market opportunities and allocated additional resources on research and development of new products in order to expand into other packaging markets and to increase revenue in the future. The Group will also continue to reduce the pressure of declining tendering prices through cost reduction, efficiency enhancement and resource consolidation measures.

In order to meet the increasingly stringent environmental protection requirements and to improve production efficiency, the Group centralised its resources and productions to Bengbu Jinhuangshan Rotogravure Printing Co., Ltd., an indirect wholly-owned subsidiary of the Company established in the PRC, to achieve centralised management and production. The Board believed that the centralisation of production line of the Group would improve cost control and production efficiency, as well as reduce administrative burden on the Group to comply with the environmental protection requirements across different production subsidiaries and therefore improving the return for the shareholders of the Company.

## **Leasing of Investment Properties**

During the Period under Review, the revenue of leasing increased by 63.5% to HK\$27.8 million (six months ended 30 June 2024: HK\$17.0 million). The increase is mainly due to the increase in leased area of the investment properties.

## **PROSPECT**

Looking ahead, the Group will continue to leverage its solid foundations in paper packaging and investment property leasing for the Group's development. To drive growth, the Group will continue to increase its participation in tenders, while actively expanding into other packaging markets, and will continue to reduce the pressure of decreasing tendering prices through measures such as cost control, efficiency boosting and resource consolidation. On the other hand, the Group also actively seeking measures to maximise leasing income by way of renovation of existing investment properties of the Group for rental maximisation purpose, as well as seeking strategic acquisition of new investment properties to grow the Group's portfolio. The acquisition of 86.67% undivided shares of Kam Chung Building (the "Property") as stated in the announcement of the Company dated 25 March 2025 for an aggregate consideration of HK\$388.0 million has been completed at the end of June 2025. The Property is currently undergoing renovation and is expected to generate rental income for the Group in 2027.

The Group's corporate mission is to continue to develop ways to improve financial performance, provide growth drivers for the Group and broaden revenue streams within acceptable risk levels. The Group will also continue to explore the possibility of acquisition of new investment, disposal of subsidiary or associate or diversification into other profitable businesses in the interests of the Group and its shareholders as a whole, with a view to achieving sustainable growth, improving profitability and ultimately maximising returns for its shareholders.

## **REVENUE**

During the Period under Review, the revenue from continuing operations of the Group was approximately HK\$307.9 million (six months ended 30 June 2024: HK\$318.6 million), which represents a decrease of approximately HK\$10.7 million or 3.4% as compared to the corresponding period in 2024. The revenue from continuing operations of our two business segments, namely (i) printing and manufacturing of paper packages and related materials; and (ii) leasing of investment properties were approximately HK\$280.1 million (six months ended 30 June 2024: HK\$301.6 million) and HK\$27.8 million (six months ended 30 June 2024: HK\$17.0 million) respectively.

The decrease in total revenue of continuing operations was mainly attributable to the fall of tender price and decrease of sales orders from major customers of printing and manufacturing of paper packages and related material, net of the increase in revenue from leasing of investment properties. In addition, some of the customers delayed their sales order due to the change of their product design. Lastly, the depreciation of average exchange rate of RMB against HKD of roughly 0.2% comparing with the corresponding period of 2024 has increased such downside effect.

## **GROSS PROFIT**

During the Period under Review, gross profit of the Group was approximately HK\$58.9 million (six months ended 30 June 2024: HK\$79.0 million). The gross profit margin decreased to 19.1% during the Period under Review (six months ended 30 June 2024: 24.8%).

The decrease in gross profit margin was mainly due to the fall of tender price.

## **OTHER INCOME**

Other income of the Group of approximately HK\$11.6 million remains stable as compared with the corresponding period in 2024 of HK\$9.5 million.

## **OTHER NET GAINS AND LOSSES**

Other net gains from continuing operations during the Period under Review was net loss of HK\$23.3 million when compared with other net gain of HK\$1.5 million for the corresponding period in 2024. The net loss were mainly attributable to the impairment losses on assets classified for held for sale of approximately HK\$29.9 million. For details, please refer to the section “Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures” below.

## **SELLING AND DISTRIBUTION EXPENSES**

The selling and distribution expenses during the Period under Review of approximately HK\$3.7 million as compared with the corresponding period of last year of HK\$5.8 million. The HK\$2.1 million decrease in selling and distribution expenses was mainly due to decrease in delivery, entertainment and commission for the Period under Review.

## **ADMINISTRATIVE EXPENSES**

During the Period under Review, administrative expenses decreased by approximately HK\$9.0 million or 22.8% to approximately HK\$30.4 million compared with the corresponding period in 2024 of HK\$39.4 million. The decrease was mainly attributable to the decrease in salaries and other benefits, contractual termination benefit, entertainment, repair and maintenance and legal and professional fee for the Period under Review.

## **FINANCE COSTS**

Finance costs during the Period under Review of HK\$2.6 million remains similar as compared with the corresponding period in 2024 of HK\$2.0 million.

## **TAXATION**

Taxation during the Period under Review decreased by approximately 32.8% to HK\$7.6 million (six months ended 30 June 2024: HK\$11.3 million) as there was an under-provision of PRC Enterprise Income Tax in 2024.

## **PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

Profit attributable to owners of the Company during the Period under Review was approximately HK\$2.9 million, as compared to the approximately HK\$28.8 million for the corresponding period of 2024. The decrease in profit attributable to owners of the Company was primarily attributable to the provision of impairment on assets classified as held for sale of approximately HK\$29.9 million (2024: HK\$nil) during the Period under Review. For details, please refer to the section “Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures” below.

## **SEGMENT INFORMATION**

During the Period under Review, the revenue from continuing operations from the (i) printing and manufacturing of paper packages and related materials; and (ii) leasing of investment properties were approximately HK\$280.1 million (six months ended 30 June 2024: HK\$301.6 million) and approximately HK\$27.8 million (six months ended 30 June 2024: HK\$17.0 million) respectively. Profit from continuing operations from the printing and manufacturing of paper packages and related materials accounted for approximately 82.6% (six months ended 30 June 2024: 93.9%) of the total segment profit before unallocated items. The profit before unallocated items from continuing operations during the Period under Review from (i) printing and manufacturing of paper packages and related materials; and (ii) leasing of investment properties decreased by 33.8% and increased by 1.15 times to approximately HK\$45.6 million (six month ended 30 June 2024: HK\$68.8 million) and HK\$9.6 million (six month ended 30 June 2024: HK\$4.5 million) respectively.

## **FINANCIAL POSITION AND LIQUIDITY**

The Group generally finances its operations with internally generated resources and banking facilities. As at 30 June 2025, the Group had net current assets of approximately HK\$273.5 million (as at 31 December 2024: HK\$655.4 million) while the Group’s bank balances and cash amounted to approximately HK\$78.1 million (as at 31 December 2024: HK\$570.9 million).

The decrease in net current assets was mainly due to the decrease in net cash of the Group as at 30 June 2025 as the consideration for acquisition of 86.67% undivided shares of Kam Chung Building was settled by the Group during the Period under Review.

As at 30 June 2025, bank borrowings of the Group amounted to approximately HK\$147.9 million (as at 31 December 2024: HK\$207.2 million). Carrying amounts of bank deposits pledged for securing banking facilities of bills payables granted to the Group amounted to approximately HK\$85.5 million (as at 31 December 2024: HK\$60.5 million). The Group is with net cash of approximately HK\$15.7 million (as at 31 December 2024: approximately HK\$424.2 million). The gearing ratio as at 30 June 2025 was 0.7% (as at 31 December 2024: 19.8%), which is calculated by dividing the net cash by the total equity.

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group had capital commitments in respect of the acquisition of property, plant, equipment contracted for but not provided in the condensed consolidated financial statements amounting to approximately HK\$5.4 million (as at 31 December 2024: HK\$9.6 million). The decrease in capital commitments is mainly due to the committed payment for construction of new factories having been substantially settled by the end of 30 June 2025.

## **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 under Review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its existing customers from time to time. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **CONTINGENT LIABILITIES**

As at 30 June 2025 and 2024, the Group did not have any material contingent liabilities.



## **CAPITAL STRUCTURE**

During the Period under Review, the Group's operation was mainly financed by funds generated from its operation and bank borrowings. As at 30 June 2025, bank borrowings were all denominated in HKD and RMB, while the cash and cash equivalents held by the Group were mainly denominated in HKD and RMB. The Group's revenue is mainly denominated in RMB, while its costs and expenses are mainly denominated in HKD and RMB. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments during the Period under Review. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **EQUITY FUND RAISING**

There was no equity fund raising activity by the Company during the Period under Review, nor were there any unutilised proceeds brought forward from any issue of equity securities made in previous financial years.

## **CHARGES ON ASSETS**

As at 30 June 2025, bank deposits with gross carrying amount of approximately HK\$85.5 million (31 December 2024: HK\$60.5 million) were pledged to banks for bank facilities of bills payables granted to the Group.

As at 30 June 2025, the bank loan facilities granted to the Group were secured by the Group's property, plant and equipment with carrying value of approximately HK\$159.6 million (31 December 2024: HK\$163.5 million), investment properties with carrying value of approximately HK\$35.4 million (31 December 2024: HK\$36.2 million) and corporate guarantee issued by the Company.

## **SIGNIFICANT INVESTMENTS**

Save for the disposal of Changde Gold Roc Printing Co., Ltd. 常德金鵬印務有限公司 ("Changde Gold Roc"), the particulars of which are disclosed in below section headed "Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures", and as disclosed above, there were no significant investments held by the Group with a value of 5% or more of the Company's total assets as at 30 June 2025 and 30 June 2024. Save as disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

### **An associate classified as assets held for sale**

Litu Investment & Development Limited (“Litu Investment & Development”), being a wholly-owned subsidiary of the Company, entered into a framework agreement with a third party (the “First Purchaser”), being the major shareholder of Changde Gold Roc, effective on 28 December 2023 to dispose of its 31% equity interest in Changde Gold Roc. Details of the disposal have been disclosed in the Company’s announcement dated 28 December 2023. On 4 December 2024, the First Purchaser and Litu Investment & Development entered into an agreement to terminate the Framework Agreement (the “Termination Agreement”), pursuant to which Litu Investment & Development and the First Purchaser agreed that Litu Investment & Development can continue the sales of its equity interests in Changde Gold Roc to other third parties.

On 22 April 2025, Litu Investment & Development entered into a new framework agreement with another third party (the “Second Purchaser”). On 20 May 2025, Litu Investment & Development and the Second Purchaser entered into a conditional sale and purchase agreement (the “Disposal Agreement”) to dispose of the Group’s 31% equity interest in Changde Gold Roc at a consideration of RMB142,500,000 (equivalent to approximately HK\$152,800,000) (the “Disposal”). Details of the Disposal have been disclosed in the Company’s announcement and circular dated 22 April 2025 and 10 June 2025 respectively. The Disposal was completed on 15 August 2025.

As at 30 June 2025 and 31 December 2024, the Group’s interest in Changde Gold Roc was classified as assets held for sale with carrying amount of approximately HK\$148,977,000 (31 December 2024: HK\$175,360,000) which was measured at the lower of its carrying amount and fair value less costs to sell. The fair value less costs to sell has been determined by market approach using direct comparison method based on the consideration of the Disposal Agreement (31 December 2024: cost approach based on adjusted net asset value method).

An impairment loss on interest in an associate classified as held for sale of HK\$29,851,000 (30 June 2024: HK\$nil) have been included in “Other net gains and losses” in the condensed consolidated statement of comprehensive income.

Save as disclosed in this announcement, there was no material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the Period under Review.

## **IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, no important events affecting the Group has taken place since 30 June 2025 and up to the date of this announcement.

## **HUMAN RESOURCES**

As at 30 June 2025, the Group had 8 and 393 full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC.

## **INTERIM DIVIDEND**

The Board did not recommend the payment of an interim dividend (2024: HK2 cents per share) for the Period under Review.

## **CORPORATE GOVERNANCE**

The Company has adopted the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 of the Listing Rules. During the six months ended 30 June 2025, the Company has complied in general with the Code, except code provisions B.2.4(b) and C.2.1 of the Code.

Under code provision B.2.4(b) of the Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. Each of Mr. Lam Ying Hung, Andy, Mr. Lui Tin Nang and Mr. Siu Man Ho, Simon has served as an independent non-executive Director for more than 9 years. The Company considers that the diverse background of the existing independent non-executive Directors, their past or current positions and offices at other companies and organisations as well as their ongoing professional development and training would still enable them to bring new independent ideas and perspectives to the Board despite the length of their tenure. Nevertheless, the Company used its best endeavours to identify a suitable candidate who have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business as a new addition to the Board in compliance with the Listing Rules. Dr. Wan Xiaoxia was therefore appointed as an independent non-executive Director with effect from 10 March 2025.

Under code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Huang Wanru is the chairman of the Company but the Company has not appointed an individual to take up the vacancy of the chief executive officer. The roles and functions of the chief executive officer have been performed by all the executive Directors collectively. The Board will continue to review its current structure from time to time and will appoint a chief executive officer if the Board considers it appropriate and necessary.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including the sale of treasury shares) during the Period under Review. As at 30 June 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including a review of the interim report and the unaudited condensed consolidated financial statements for the Period under Review with the Directors. In addition, the interim financial information of the Group for the Period under Review has also been reviewed by independent auditor of the Company, Forvis Mazars CPA Limited. The audit committee of the Company comprises the four independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and Dr. Wan Xiaoxia, and the non-executive Director, Ms. Li Li.

## **APPRECIATION**

I would like to thank our fellow Directors for their contribution and support throughout the period, and our management and staff for their dedication and hard work.

I would like to express our sincere appreciation to our shareholders, customers and suppliers as well as our business associates for their continuing support.

By order of the Board  
**Litu Holdings Limited**  
**Huang Wanru**  
*Chairman*

Hong Kong, 22 August 2025

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Huang Wanru (Chairman) and Ms. Chen Lin Lin Caddie, one non-executive Director, namely, Ms. Li Li, and four independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and Dr. Wan Xiaoxia.*