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MS GROUP HOLDINGS LIMITED

萬成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

KEY FINANCIAL INFORMATION AND RATIOS (UNAUDITED)

		Six months ended 30 June	
		2025	2024
Revenue	<i>HK\$'000</i>	181,244	178,986
Gross profit	<i>HK\$'000</i>	45,383	49,467
Gross profit margin	<i>%</i>	25.0%	27.6%
Operating profit	<i>HK\$'000</i>	19,837	24,233
Profit attributable to equity holders	<i>HK\$'000</i>	15,554	18,967
Basic earnings per Share	<i>HK cents</i>	7.75	9.48
Interim dividend per Share	<i>HK cents</i>	—	3
Interim special dividend per Share	<i>HK cents</i>	—	7

The board (the “**Board**”) of directors (“**Directors**”) of MS Group Holdings Limited (the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period of 2024, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	6	181,244	178,986
Cost of sales		<u>(135,861)</u>	<u>(129,519)</u>
Gross profit		45,383	49,467
Selling expenses		(2,193)	(3,603)
Administrative expenses		(24,213)	(22,569)
Other income		399	244
Other gains, net		<u>461</u>	<u>694</u>
Operating profit		<u>19,837</u>	<u>24,233</u>
Finance income		1,023	2,277
Finance expenses		<u>(440)</u>	<u>(452)</u>
Finance income, net	7	583	1,825
Share of result of associates	18	<u>—</u>	<u>(1,243)</u>
Profit before taxation	8	20,420	24,815
Taxation	9	<u>(4,866)</u>	<u>(5,848)</u>
Profit for the period		<u>15,554</u>	<u>18,967</u>
Attributable to:			
— Equity holders of the Company		<u>15,554</u>	<u>18,967</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Profit per share attributable to equity holders of the Company during the period			
Basic and diluted	11	<u>7.75</u>	<u>9.48</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	15,554	18,967
Item that may be subsequently reclassified to income statement:		
Exchange translation differences	<u>3,747</u>	<u>(2,642)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>3,747</u>	<u>(2,642)</u>
Total comprehensive income for the period	<u>19,301</u>	<u>16,325</u>
Total comprehensive income for the period attributable to:		
— Equity holders of the Company	<u>19,301</u>	<u>16,325</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	12	38,130	39,718
Right-of-use assets		3,917	5,901
Investment in associates	18	—	—
		<u>42,047</u>	<u>45,619</u>
Current assets			
Inventories		24,364	34,719
Trade and other receivables	13	49,613	90,543
Deposits and prepayments		2,715	3,175
Cash and cash equivalents		<u>138,240</u>	<u>114,515</u>
		<u>214,932</u>	<u>242,952</u>
Total assets		<u>256,979</u>	<u>288,571</u>
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	15	20,220	20,000
Share premium		37,890	36,614
Other reserves		(97)	(4,970)
Retained earnings		<u>147,973</u>	<u>172,859</u>
Total equity		<u>205,986</u>	<u>224,503</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities		—	1,792
Deferred income tax liabilities		<u>7,475</u>	<u>7,568</u>
		<u>7,475</u>	<u>9,360</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 30 June 2025

		Unaudited	Audited
		30 June	31 December
		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Trade and other payables	14	27,362	34,472
Bills payable		3,529	8,174
Lease liabilities		4,003	4,176
Tax payable		<u>8,624</u>	<u>7,886</u>
		<u>43,518</u>	<u>54,708</u>
Total liabilities		<u>50,993</u>	<u>64,068</u>
Total equity and liabilities		<u>256,979</u>	<u>288,571</u>
Net current assets		<u>171,414</u>	<u>188,244</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Unaudited						
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Share based payment reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
Balance at 1 January 2024	20,000	36,614	131	(4,908)	2,257	155,473	209,567
Comprehensive income:							
Profit for the period	—	—	—	—	—	18,967	18,967
Other comprehensive loss:							
Exchange translation differences	—	—	—	(2,642)	—	—	(2,642)
Total comprehensive (loss)/income for the period ended 30 June 2024	—	—	—	(2,642)	—	18,967	16,325
Transactions with equity holders:							
Dividend paid	—	—	—	—	—	(12,000)	(12,000)
Share-based payments	—	—	—	—	624	—	624
Total transactions with equity holders	—	—	—	—	624	(12,000)	(11,376)
Balance at 30 June 2024	20,000	36,614	131	(7,550)	2,881	162,440	214,516
Balance at 1 January 2025	20,000	36,614	131	(9,334)	4,233	172,859	224,503
Comprehensive income:							
Profit for the period	—	—	—	—	—	15,554	15,554
Other comprehensive income:							
Exchange translation differences	—	—	—	3,747	—	—	3,747
Total comprehensive income for the period ended 30 June 2025	—	—	—	3,747	—	15,554	19,301
Transactions with equity holders:							
Dividend paid	—	—	—	—	—	(40,440)	(40,440)
Share-based payments	—	—	—	—	1,126	—	1,126
Total transactions with equity holders	—	—	—	—	1,126	(40,440)	(39,314)
Issue of shares upon exercise of share options	220	1,276	—	—	—	—	1,496
Balance at 30 June 2025	20,220	37,890	131	(5,587)	5,359	147,973	205,986

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations	66,177	17,527
Tax paid	<u>(4,510)</u>	<u>(4,341)</u>
Net cash generated from operating activities	<u>61,667</u>	<u>13,186</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(485)	(3,855)
Interest received	<u>1,009</u>	<u>1,850</u>
Net cash generated from/(used in) investing activities	<u>524</u>	<u>(2,005)</u>
Cash flows from financing activities		
Interest paid	(440)	(452)
Payment of principal element of lease liabilities	(2,084)	(2,091)
Proceeds from issue of shares (Note 15)	1,496	—
Dividend paid	<u>(40,440)</u>	<u>(12,000)</u>
Net cash used in financing activities	<u>(41,468)</u>	<u>(14,543)</u>
Net increase/(decrease) in cash and cash equivalents	20,723	(3,362)
Cash and cash equivalents at 1 January	114,515	126,294
Exchange losses on cash and cash equivalents	<u>3,002</u>	<u>(26)</u>
Cash and cash equivalents at 30 June	<u>138,240</u>	<u>122,906</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 CORPORATE INFORMATION AND BASIS OF PRESENTATION

General information

MS Group Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 9 March 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacture and sales of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles.

The controlling shareholders of the Company are Mr. Chung Kwok Keung Peter (“**Mr. Chung**”) and Mr. Chau Ching (“**Mr. Chau**”) (together, the “**Controlling Shareholders**”).

This condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (“**HK\$000**”), unless otherwise stated.

2 BASIS OF PREPARATION AND PRESENTATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and applicable disclosure requirements of the Listing Rules.

The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

3 ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the Group’s consolidated financial statements for the year ended 31 December 2024. A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

There have been no changes in the risk management policies since the year ended 31 December 2024.

(b) Fair value estimation

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to the short-term maturities of these assets and liabilities.

6 SEGMENT INFORMATION

The Group is principally engaged in manufacturing and sale of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles to original equipment manufacturing business (the "OEM Business") customers, and customers under its own brand. An analysis of the Group's revenue is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue		
OEM Business customer products	180,915	176,649
Own brand products	329	2,337
	<u>181,244</u>	<u>178,986</u>

6 SEGMENT INFORMATION (CONTINUED)

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used for making strategic decisions. The chief operating decision-maker is identified as executive directors of the Company. The chief operating decision-maker considers the business from a product perspective and assesses the performance of the operating segments based on a measure of gross profit for the purpose of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the chief operating decision-maker.

The management has identified two operating segments, based on the types of products, namely (i) manufacture and sale of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles to OEM Business customers; and (ii) design, manufacture and sale of own brand infant products.

The segment information provided to the chief operating decision-maker for the six months ended 30 June 2025 (unaudited) is as follows:

	OEM Business customer products HK\$'000	Own brand products HK\$'000	Total HK\$'000
Segment revenue from external customers			
Timing of revenue recognition — at a point in time	180,915	329	181,244
Cost of sales	(135,634)	(227)	(135,861)
Gross profit	45,281	102	45,383
Selling expenses			(2,193)
Administrative expenses			(24,213)
Other income			399
Other gains, net			461
Finance income, net			583
Profit before taxation			20,420
Taxation			(4,866)
Profit for the period			15,554

6 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the chief operating decision-maker for the six months ended 30 June 2024 (unaudited) is as follows:

	OEM Business customer products <i>HK\$'000</i>	Own brand products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers			
Timing of revenue recognition — at a point in time	176,649	2,337	178,986
Cost of sales	<u>(128,062)</u>	<u>(1,457)</u>	<u>(129,519)</u>
Gross profit	48,587	880	49,467
Selling expenses			(3,603)
Administrative expenses			(22,569)
Other income			244
Other gains, net			694
Finance income, net			1,825
Share of result of associates			<u>(1,243)</u>
Profit before taxation			24,815
Taxation			<u>(5,848)</u>
Profit for the period			<u><u>18,967</u></u>

7 FINANCE INCOME, NET

	Unaudited Six months ended 30 June	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bills payables	(333)	(407)
Interest expenses on lease liabilities	(107)	(45)
Bank interest income	<u>1,023</u>	<u>2,277</u>
	<u><u>583</u></u>	<u><u>1,825</u></u>

8 PROFIT BEFORE TAXATION

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories	98,300	92,372
Provision for the impairment loss on inventory	251	304
Employee benefit expenses	40,253	37,173
Management fee expenses	1,137	1,143
Depreciation of property, plant and equipment (<i>Note 12</i>)	3,069	2,609
Depreciation of right-of-use assets	2,100	2,037
Expected credit loss adjustment on trade and other receivables	(129)	2,339
Net loss/(gain) on disposal/write-off of property, plant and equipment	40	35
Government grants	(83)	(84)

9 TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the period. The Peoples' Republic of China ("PRC") enterprise income tax has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC.

The amount of taxation charged to the condensed consolidated interim income statement represents:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current — Hong Kong		
Provision for the period	1,836	1,352
Current — PRC		
Provision for the period	3,232	3,964
Under-provision in respect of prior years	103	82
Deferred		
Provision for the period	(305)	450
Taxation charge	4,866	5,848

10 DIVIDENDS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend proposed: nil (30 June 2024: HK3 cents)	—	6,000
Interim special dividend proposed: nil (30 June 2024: HK7 cents)	—	14,000
	<u>—</u>	<u>20,000</u>

On 21 March 2025, the Board declared a final dividend and a final special dividend of HK3 cents (2024: HK3 cents) and HK17 cents (2024: HK3 cents) per ordinary share, respectively, totaling HK20 cents (2024: HK6 cents) per ordinary share, payable to shareholders whose names appear on the register of the members of the Company on 4 June 2025. The total amount of the final dividend and final special dividend was HK\$40 million (2024: HK\$12 million) and was paid on 26 June 2025.

No dividends had been paid or declared by the Company for the six months ended 30 June 2025 (2024: interim and interim special dividend HK10 cents).

11 EARNINGS PER SHARE — BASIC AND DILUTED

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (HK\$'000)	15,554	18,967
Weighted average number of ordinary shares in issue (thousands)	<u>200,741</u>	<u>200,000</u>
Basic earnings per share (Hong Kong cents)	<u>7.75</u>	<u>9.48</u>

(b) Diluted earnings per share

Diluted earnings per share for the period ended 30 June 2025 and 2024 are equal to the basic earnings per share as the potential dilutive ordinary shares arising from exercise of the outstanding share options would be anti-dilutive.

12 PROPERTY, PLANT AND EQUIPMENT

	Decoration <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Plants and machinery <i>HK\$'000</i>	Tools and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 December 2024 (audited)							
Cost	10,890	1,453	4,591	65,884	17,543	6,451	106,812
Accumulated depreciation	<u>(4,376)</u>	<u>(1,442)</u>	<u>(4,392)</u>	<u>(35,705)</u>	<u>(17,210)</u>	<u>(3,969)</u>	<u>(67,094)</u>
Net book amount	<u>6,514</u>	<u>11</u>	<u>199</u>	<u>30,179</u>	<u>333</u>	<u>2,482</u>	<u>39,718</u>
Period ended 30 June 2025 (unaudited)							
Opening net book amount	6,514	11	199	30,179	333	2,482	39,718
Exchange differences	168	—	30	850	—	—	1,048
Additions	181	—	23	281	—	—	485
Disposals/write-off	—	—	—	(52)	—	—	(52)
Depreciation charge	<u>(265)</u>	<u>(2)</u>	<u>(41)</u>	<u>(2,238)</u>	<u>(73)</u>	<u>(450)</u>	<u>(3,069)</u>
Closing net book amount	<u>6,598</u>	<u>9</u>	<u>211</u>	<u>29,020</u>	<u>260</u>	<u>2,032</u>	<u>38,130</u>
At 30 June 2025 (unaudited)							
Cost	11,318	1,452	4,745	67,295	17,543	6,490	108,843
Accumulated depreciation	<u>(4,720)</u>	<u>(1,443)</u>	<u>(4,534)</u>	<u>(38,275)</u>	<u>(17,283)</u>	<u>(4,458)</u>	<u>(70,713)</u>
Net book amount	<u>6,598</u>	<u>9</u>	<u>211</u>	<u>29,020</u>	<u>260</u>	<u>2,032</u>	<u>38,130</u>

13 TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade receivables	47,541	76,949
Loss allowance	<u>(1,403)</u>	<u>(1,532)</u>
	46,138	75,417
Other receivables	<u>3,475</u>	<u>15,126</u>
	<u>49,613</u>	<u>90,543</u>

The Group has established credit policies for customers in each of its businesses. The average credit period granted for trade receivables ranges from 30 to 90 days. The carrying values of trade and other receivables approximate their fair values.

During the period ended 30 June 2024, expected credit loss adjustment of HK\$2,257,000 is recognised on loan to an associate.

The ageing analyses of the Group's trade receivables by invoice dates are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0 – 30 days	20,235	54,507
31 – 60 days	24,473	19,212
61 – 90 days	1,296	457
Over 90 days	<u>134</u>	<u>1,241</u>
	<u>46,138</u>	<u>75,417</u>

14 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade payables	4,121	9,468
Accruals and other payables	21,158	22,682
Contract liabilities (<i>Note</i>)	<u>2,083</u>	<u>2,322</u>
	<u>27,362</u>	<u>34,472</u>

The carrying values of trade and other payables approximate their fair values.

Note: Contract liabilities of HK\$2,322,000 included in the balance as at 1 January 2025 were recognised as revenue during the period ended 30 June 2025.

14 TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analyses of the Group's trade payables by invoice dates are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0 – 30 days	2,184	5,559
31 – 60 days	—	2,437
61 – 90 days	—	—
Over 90 days	<u>1,937</u>	<u>1,472</u>
	<u>4,121</u>	<u>9,468</u>

The credit period for the trade payables for the Group's business generally ranges from 30 to 90 days.

15 SHARE CAPITAL

	No. of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each, authorised:		
At 30 June 2024 (unaudited), 31 December 2024 and 30 June 2025 (unaudited)	<u>3,800,000,000</u>	<u>380,000</u>
Ordinary shares of HK\$0.1 each, issued and fully paid:		
At 30 June 2024 (unaudited) and 31 December 2024	200,000,000	20,000
Issue of ordinary shares upon exercise of share options (note)	<u>2,200,000</u>	<u>220</u>
At 30 June 2025 (unaudited)	<u>202,200,000</u>	<u>20,220</u>

Note: During the period ended 30 June 2025, 2,200,000 shares of the Company were exercised under the Share Options Scheme, for aggregate cash consideration of HK\$1,496,000.

16 CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group had no significant contingent liabilities.

17 RELATED PARTY TRANSACTIONS

A summary of significant related party transactions is set out below:

Name of related party	Relationship with the Group
Huafulai Green Energy (Shaoguan) Co., Ltd (“ Huafulai ”)	Controlled by Mr. Chau Wai, an executive Director
Kwong Fai Trading Limited (“ Kwong Fai ”)	Jointly controlled by Mr. Chung and his spouse
Penghui Qiye (Wengyuan) Company Limited* (鵬輝企業(翁源)有限公司) (“ Penghui ”)	Controlled by Controlling Shareholders

* The English translations of company or entity names in Chinese are for identification purpose only.

(a) Transactions with related parties

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Huafulai		
— Utility expenses	760	599
Kwong Fai		
— Depreciation of right-of-use assets	263	281
— Interest expenses on lease liabilities	20	3
Penghui		
— Management fee expenses	1,034	1,044
— Depreciation of right-of-use assets	1,837	1,756
— Interest expenses on lease liabilities	<u>87</u>	<u>42</u>

The above transactions with related parties were calculated in the ordinary course of business of the Group based on the terms mutually agreed between the relevant parties.

The Group leased certain premises with the aggregate carrying amount of right-of-use assets of HK\$3,917,000 and lease liabilities of HK\$4,003,000 as at 30 June 2025 from Kwong Fai and Penghui. During the period ended 30 June 2025, the lease payments paid to Kwong Fai and Penghui were HK\$279,000 (2024: HK\$296,000) and HK\$1,912,000 (2024: HK\$1,839,000), respectively.

(b) Key management compensation

During the period ended 30 June 2025, no transactions (2024: Nil) have been entered into with the directors of the Company (being the key management personnel) other than the emoluments paid or accrued to them (being key management personnel compensation).

18 INVESTMENT IN ASSOCIATES

In 2021, the Group acquired 40% interest in BRH2 Plastics, LLC at an aggregate consideration of HK\$23,250,000 (US\$3,000,000). The associate is principally engaged in the manufacturing and sale of custom-designed plastic products using injection molding machines for consumer goods, automotive and healthcare industries.

The amounts recognised in the condensed consolidated interim statement of financial position are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Associates	<u> </u>	<u> </u>

The share of result recognised in the condensed consolidated interim income statement for the six months ended 30 June 2025 comprised of a share of operating losses amounting to HK\$ nil (2024: HK\$166,000) and an amortisation of intangible assets identified during the acquisition amounting to HK\$ nil (2024: HK\$1,077,000).

The Group discontinue recognising its share of further losses when its share of loss of associates exceeds its investment in associates.

19 SHARE-BASED PAYMENTS

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Where share options are forfeited, any expenses previously recognised in relation to such share options are reversed effective from the date of the forfeiture.

The Company adopted a share option scheme pursuant to a written resolution of the Shareholders passed on 15 May 2018. 6,000,000 share options were granted to the Directors, senior management and certain employees of the Group on 7 June 2021. 10,000,000 share options were granted to the Directors and certain employees of the Group on 27 May 2024.

Share-based payment amounted HK\$1,126,000 (2024: HK\$624,000) was recognised in the condensed consolidated interim income statement during the period ended 30 June 2025.

20 APPROVAL OF INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 was approved by the board on 22 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 June 2025, the Group engaged in (i) the OEM Business, being the production and sales of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles on an OEM basis, predominately targeting the overseas markets; and (ii) the Yo Yo Monkey Business, being the production and sales of infant and toddler products under the “Yo Yo Monkey (優優馬騮)” brand primarily in the PRC market. The Group operates its Production Base situated in Wengyuan County, Shaoguan City, Guangdong Province, the PRC, and the majority of the revenue of the Group is derived from the OEM Business. Both the OEM Business and the Yo Yo Monkey Business of the Group faced substantial industry challenges in the first half of 2025:

- The core market of the OEM Business (being the major revenue segment of the Group) is the United States. While the global economy was recovering from the impacts of the COVID-19 epidemic, the United States administration announced the increase in tariff for imports from the PRC on 1 February 2025 and further announced additional tariffs across the world (including the PRC) on 2 April 2025. As a result, the OEM Business customers of the Group became more reluctant to place orders for the products of the Group, where the OEM Business revenue recorded a declining trend in the second quarter of 2025 as compared to the first quarter of 2025. Thanks to the favourable performance in the first quarter of 2025, the OEM Business recorded a slight increase in revenue for the first half of 2025 as compared with the first half of 2024.
- The Yo Yo Monkey Business focuses on the PRC market. Given the highly intense industry competition (including price wars) in the local markets, the Yo Yo Monkey Business encountered immense difficulties to retain its market share and resulted in a notable year-on-year deterioration in sales for the first half of 2025, particularly for the revenue from physical retail shops given the online business was still relatively minimal.

Overall, during the first half of 2025, as compared with the first half of 2024, the Group maintained its total revenue level, but recorded a decline in profitability, primarily due to the impact of tariffs in the first half of 2025, which lowered the selling price of the products of the Group.

Financial Review

The following table sets out the key financial figures of the Group for the six months ended 30 June 2025, with comparative figures for the six months ended 30 June 2024.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue	181,244	178,986
Gross profit	45,383	49,467
Profit before income tax	20,420	24,815
Net profit attributable to equity holders	<u>15,554</u>	<u>18,967</u>

Revenue

OEM Business

Following the announcements of additional tariffs on the PRC by the United States administration, the OEM Business customers of the Group became more reluctant to place orders for the products of the Group, where the OEM Business revenue recorded a declining trend in the second quarter of 2025 as compared to the first quarter of 2025. For the six months ended 30 June 2025, revenue generated from the OEM Business amounted to approximately HK\$180.9 million, which represented an increase of approximately 2.4% as compared to approximately HK\$176.7 million for the corresponding period in 2024. The slight enhancement in sales performance of the OEM Business was primarily driven by the increased orders received from the Group existing customers, particularly for the production of plastic and also stainless steel sports bottles. For the stainless steel sports bottles, the Group manufactured the plastic parts and procured the metallic parts to produce the finished products. For the six months ended 30 June 2025, the two largest customers continued to be the major contributors of revenue for the OEM Business, where they contributed approximately HK\$155.5 million (first half of 2024: approximately HK\$128.5 million) and HK\$22.1 million (first half of 2024: approximately HK\$44.4 million), respectively.

Yo Yo Monkey Business

For the six months ended 30 June 2025, the Yo Yo Monkey Business recorded revenue of approximately HK\$329,000, which represented a substantial decline of approximately 85.9% as compared to approximately HK\$2.3 million for the corresponding period in 2024. The Yo Yo Monkey Business was still suffering from the fierce local competition (particularly price wars) in the local markets in the first half of 2025, during which sales performance at physical retail shops continued to deteriorate, while the Group was still struggling its way to successfully develop its online sales business in the PRC.

Gross profit

The gross profit of the Group was approximately HK\$45.4 million, representing a gross profit margin of approximately 25.0%, for the six months ended 30 June 2025, as compared to the gross profit of approximately HK\$49.5 million, representing a gross profit margin of approximately 27.6%, for the six months ended 30 June 2024.

In respect of the OEM Business, gross profit margin was approximately 25.0% for the six months ended 30 June 2025 (first half of 2024: approximately 27.5%).

In respect of the Yo Yo Monkey Business, gross profit margin was approximately 30.9% for the six months ended 30 June 2025 (first half of 2024: approximately 37.7%).

The aforementioned declines in gross profit and gross profit margin were primarily attributable to the impact of tariffs in the first half of 2025, which lowered the selling price of the products of the Group.

Selling expenses

The selling expenses of the Group was approximately HK\$2.2 million for the six months ended 30 June 2025, representing a decrease of approximately HK\$1.4 million or 39.2% as compared to approximately HK\$3.6 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the reduction in employee benefit expenses, transportation expenses and marketing and promotional spending in the first half of 2025 as measures of cost control.

Administrative expenses

The administrative expenses of the Group amounted to approximately HK\$24.2 million for the six months ended 30 June 2025, representing a year-on-year increase of approximately HK\$1.6 million. Such increase was mainly because of the additional staff dismissal compensation cost amounting to approximately HK\$2.8 million in the first half of 2025, which was attributable to the declining trend in sales orders and manufacturing needs. The administrative expenses of the Group accounted for approximately 13.4% of the total revenue for the six months ended 30 June 2025, which was not materially different from that of approximately 12.6% of total revenue for the six months ended 30 June 2024.

Other income and gains

The Group recorded other net income and gains of approximately HK\$0.9 million for the six months ended 30 June 2025, which was at a similar level as compared to approximately HK\$0.9 million for the six months ended 30 June 2024. The other income and gains were mainly generated from sundry income, which primarily included exchange gains of approximately HK\$0.5 million, for the six months ended 30 June 2025.

Finance income

The Group recorded a net finance income of approximately HK\$0.6 million for the six months ended 30 June 2025, as compared to the net finance income of approximately HK\$1.8 million for the six months ended 30 June 2024. The finance expenses were mainly interest expenses for the utilisation of bill facilities and lease liabilities, whilst the finance income was primarily interest income from time deposits placed at banks. The Group did not purchase any financial product during the first half of 2025 (first half of 2024: Nil).

Share of result of associates

The Group recorded no share of losses for the six months ended 30 June 2025, which was approximately HK\$1.2 million for the six months ended 30 June 2024. The share of losses of associates for the six months ended 30 June 2024 primarily attributable to the (i) amortisation of intangible assets identified during the acquisition which amounted to approximately HK\$1.0 million; and (ii) the share of loss of approximately HK\$0.2 million in relation to the Group's 40% interest in BRH2 Plastics, LLC. The Group discontinues recognising its share of further losses when its share of loss of associate exceeds its investment in associates.

Net profit

The Group recorded a net profit of approximately HK\$15.6 million for the six months ended 30 June 2025, which was approximately HK\$3.4 million less than that of approximately HK\$19.0 million for the six months ended 30 June 2024. The decrease in net profit was mainly attributable to the aforementioned decline in gross profit and gross profit margin, primarily due to the impact of tariffs, which lowered the selling price of the products of the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The cash and cash equivalents of the Group as at 30 June 2025 amounted to approximately HK\$138.2 million (31 December 2024 of approximately HK\$114.5 million). The cash and cash equivalents of the Group as at 30 June 2025 were primarily denominated in Hong Kong dollars, Renminbi and US dollars and were mainly contributed by the cash generated from operating activities of the Group. The Group had net cash generated from operating activities of approximately HK\$63.9 million for the six months ended 30 June 2025, which was primarily driven by profit before taxation of approximately HK\$20.4 million. As at 30 June 2025, the Group maintained banking facilities of approximately HK\$30.0 million (31 December 2024: approximately HK\$30.0 million). As at 30 June 2025, the gearing ratio of the Group (being total interest-bearing borrowings divided by total equity) was nil (31 December 2024: Nil).

CAPITAL COMMITMENT AND CAPITAL EXPENDITURE

As at 30 June 2025, the Group had no capital commitment (31 December 2024: Nil).

For the first half of 2025, the capital expenditure of the Group (being gross addition of property, plant and equipment) was approximately HK\$485,000 (first half of 2024: approximately HK\$3,855,000). Such capital expenditure was primarily for the acquisition of new machineries and equipment.

TREASURY POLICY

The Group had a sufficient level of cash and banking facilities for the conduct of its trade in the normal course of business during the six months ended 30 June 2025. The management will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of any future growth opportunities.

EXCHANGE RATE RISK

The transactions of the Group are primarily denominated in US dollars, Renminbi and Hong Kong dollars. In particular, sales are primarily made in US dollars whereas payments of staff wages and salaries are in Renminbi and Hong Kong dollars. The Group is exposed to exchange rate risk, especially from the fluctuation of the value of Renminbi.

For the six months ended 30 June 2025, the Group recorded a gain on foreign exchange of approximately HK\$0.5 million (first half of 2024: approximately HK\$0.7 million).

The Group had not used any derivatives to hedge its exposure to foreign exchange risk during the six months ended 30 June 2025. The management of the Company will continue to monitor the Group's foreign currency risk exposure and to ensure that it is kept at an acceptable level.

CHARGE ON ASSETS

None of the assets of the Group were pledged as at 30 June 2025 (31 December 2024: Nil).

MATERIAL ACQUISITION, DISPOSAL AND INVESTMENT

The Group (i) did not perform any material acquisition or disposal of subsidiaries, associates or joint ventures or investments during the six months ended 30 June 2025; and (ii) did not hold any significant investment as at 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have future plans for material investments and capital assets during the six months ended 30 June 2025 and up to the date of this interim results announcement.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no material contingent liabilities, nor was aware of any pending or potential material legal proceedings involving the Group.

EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any material subsequent events from 30 June 2025 to the date of this interim results announcement.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 563 full-time employees as at 30 June 2025, which was less than that of 737 full-time employees as at 30 June 2024. The decrease in the number of employees was mainly because of the lower demand for production workers (non-administrative staff) for manufacturing processes along with the decline in the number of sales orders received in the second quarter of 2025.

The Group places strong emphasis on the development and training of employees so as to equip them with the requisite skills and safety knowledge in performing their duties and to enhance the competitiveness of the Group.

Employees are remunerated and granted bonus based on their performance, work experience and prevailing market conditions. In compliance with the statutory requirements in the PRC, the Group participates in a social insurance scheme and a housing provident fund. The social insurance scheme includes pension insurance, medical insurance, maternity insurance, unemployment insurance and injury insurance. For the Hong Kong employees, the Group contributes to the Mandatory Provident Fund scheme as applicable. Employee benefit expenses of the Group for the first half of 2025 was approximately HK\$40.2 million (first half of 2024: approximately HK\$37.2 million).

The Group has adopted a share option scheme under which employees of the Group may be granted an opportunity to acquire equity interests in the Company in recognition of their contributions to the Group. On 7 June 2021, the Company granted 6,000,000 share options to the Directors, senior management and certain employees of the Group to subscribe for an aggregate of 6,000,000 shares of the Company (“**Shares**”). On 27 May 2024, the Company granted 10,000,000 share options to the Directors and certain employees of the Group to subscribe for an aggregate of 10,000,000 Shares. For further details, please refer to the announcements of the Company dated 7 June 2021 and 27 May 2024 and note 19 to the condensed consolidated interim financial information of the Company in this interim results announcement.

PROSPECTS

Both the OEM Business and the Yo Yo Monkey Business of the Group are expected to continue to face substantial challenges in the upcoming period.

In the recent years, the macroeconomic landscape became more and more complex, attributable to, among other things, the aftermath of the pandemic, global inflation trend, regional conflicts (such as between Russia and Ukraine and also between Israel and Hamas) and geopolitical tensions (such as between the PRC and the United States). Under such backdrop, the United States administration announced additional tariffs on a worldwide scale during the first half of 2025, which adversely impacted global markets. Since the Production Base of the Group is situated in the PRC and the major market of the Group is the United States, the Group (particularly its OEM Business) is inevitably a victim of such trade policy.

The performance of the OEM Business is dependent on the United States market and, since the aforementioned tariff announcements, the OEM Business has been facing serious operating pressure given the OEM Business customers became more reluctant to place orders for the products of the Group. Trade policies could rapidly change, if the United States maintains its strict trade policies or enacts even stricter trade policies on products manufactured in the PRC, the performance of the OEM Business would be in risk of facing a devastating impact. In the first half of 2025, the OEM Business was able to capture the demand of stainless steel sports bottle from an existing major customer in the United States, but the sustainability of future product demand and the product mix of the Group are difficult to predict as they depend on, among other factors, trade policy, industry environment and product cycle that shift from time to time. Given the concentration of customer and geographical market, the OEM Business remain fragile, nonetheless, the Group strives to adopt strategies to mitigate such risks, with a view to proactively developing this core business segment. The key strategies primarily include (i) deepening the collaboration with existing customers to obtain more sales orders for both existing and new product lines, such as stainless steel sports bottles; (ii) liaising with potential customers, such as well-known bottle brands, so as to allow the OEM Business to expand its global footprint and diversify its present focus on the United States market; (iii) exploring the possible enhancements of manufacturing capabilities for products including but not limited to plastic sports bottle and stainless steel sports bottle, primarily for meeting the demands of existing customers and improving the margins of the relevant products; and (iv) evaluating the feasibility, especially the costs, of geographically extending the production facilities of the OEM Business to other regions of Asia.

The Yo Yo Monkey Business primarily operates in the PRC and the performance of the business has been, and is expected to continue to be, under immense pressure given (i) the intense local competition, where fierce price wars have impeded the business to seize or maintain market share; (ii) the change in consumer shopping pattern from offline to online, which eroded the sales of the Yo Yo Monkey Business as the business has been primarily generating sales through retail sales at physical stores; and (iii) the previous declining trend of birth rate in the PRC that structurally undermined future industry product demand. Despite the Group believes the Yo Yo Monkey Business is well positioned and has made strenuous efforts to develop in the PRC market, the business has an uneasy path ahead.

In respect of BRH2 Plastics, LLC (a 40% owned associate of the Company), its performance was still impaired by the unfavourable industry environment. The Group expects it can generate more synergies when the market conditions further improve.

The dynamic macro-environment (the unpredictable tariff policies of the United States in particular), which is beyond the control of the Group, undoubtedly casts shadow on the prospects of the Group. In the case of a downside scenario, external risks may materialise and dismally squeeze the sales and margins of the businesses of the Group. In view of the heightened volatility in the economic market and in the industry, the management of the Group will continue to adopt a very cautious approach, keep very close track of environmental changes and carefully employ workable strategies. Challenges in the past have bestowed the Group invaluable experience to respond to adversities and bolster its competitiveness in the market, where the Group has already built up its production capabilities and market reputation. With unwavering dedication, the Group will make utmost efforts to embrace the challenges, thrive in the market and navigate through this turbulent period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding Directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules. Having made specific enquiry to all the Directors, they have all confirmed that they have complied with the required standard as set out in the Model Code for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) for the six months ended 30 June 2025.

As at 30 June 2025, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: interim and interim special dividend HK10 cents).

CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance. For the six months ended 30 June 2025, the Company had adopted and complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has discussed with the management of the Company the internal control and financial reporting matters relating to the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025. It has also reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 with the management and the auditor of the Company and recommended them to the Board for approval.

The Company's independent auditor, PricewaterhouseCoopers, has also reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the respective websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk) and the Company (www.mainsuccess.cn). The interim report for the six months ended 30 June 2025 of the Company containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
MS Group Holdings Limited
Chau Ching
Chairman

Hong Kong, 22 August 2025

As of the date of this announcement, the executive Directors are Mr. Chau Ching, Mr. Chung Kwok Keung Peter, Mr. Chung Leonard Shing Chun, Mr. Chau Wai and Ms. Lo Siu Fun Helena; and the independent non-executive Directors are Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak.