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TONGDA HONG TAI HOLDINGS LIMITED

通達宏泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2363)

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

HIGHLIGHTS

- Revenue of the Group increased by approximately 136.8% to approximately HK\$50.2 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$21.2 million).
- The Group recorded a net profit for the six months ended 30 June 2025 of approximately HK\$5.2 million (six months ended 30 June 2024: net loss of approximately HK\$23.7 million).
- Basic and diluted profit per share for the six months ended 30 June 2025 was approximately HK2.55 cents (six months ended 30 June 2024: basic loss of approximately HK6.39 cents).

The board (the “Board”) of directors (the “Directors”) of Tongda Hong Tai Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group” or “We”) for the six months ended 30 June 2025 (the “Period”) together with comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	50,206	21,181
Cost of sales		(47,952)	(27,628)
Gross profit/(loss)		2,254	(6,447)
Other income		796	1,081
Selling and distribution expenses		(137)	(46)
General and administrative expenses		(3,025)	(5,183)
Other operating income/(expense), net		11,268	(6,471)
Finance costs		(5,952)	(6,608)
PROFIT/(LOSS) BEFORE TAX	5	5,204	(23,674)
Income tax expense	6	—	—
PROFIT/(LOSS) FOR THE PERIOD			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF THE COMPANY		5,204	(23,674)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE			
TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	HK2.55 cents	(HK6.39 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT/(LOSS) FOR THE PERIOD	5,204	(23,674)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of a foreign operation	<u>(9,812)</u>	<u>6,983</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	<u><u>(4,608)</u></u>	<u><u>(16,691)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	—	—
Right-of-use assets		—	—
Lease receivables		793	4,165
		<hr/>	<hr/>
Total non-current assets		793	4,165
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories	10	28,866	24,671
Trade and bills receivables	11	40,568	41,195
Lease receivables		3,689	3,502
Prepayments, deposits and other receivables		1,766	5,005
Tax recoverable		677	782
Restricted bank balances		768	1,139
Cash and bank balances		81,366	84,153
		<hr/>	<hr/>
Total current assets		157,700	160,447
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	12	27,692	32,049
Other payables and accruals	13	22,196	290,125
Loans from and amounts due to related parties	14	2,889	2,948
Lease liabilities		6,504	6,214
		<hr/>	<hr/>
Total current liabilities		59,281	331,336
		<hr/>	<hr/>

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
NET CURRENT ASSETS/(LIABILITIES)	<u>98,419</u>	<u>(170,889)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>99,212</u>	<u>(166,724)</u>
NON-CURRENT LIABILITIES		
Lease liabilities	773	4,663
Other payable	<u>274,434</u>	<u>—</u>
Total non-current liabilities	<u>275,207</u>	<u>4,663</u>
Net liabilities	<u><u>(175,995)</u></u>	<u><u>(171,387)</u></u>
DEFICIENCY		
Equity attributable to equity holders of the Company Issued capital	20,422	20,422
Deficit	<u>(196,417)</u>	<u>(191,809)</u>
Total deficit	<u><u>(175,995)</u></u>	<u><u>(171,387)</u></u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tongda Hong Tai Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in the manufacture and sale of casings of notebook and tablet computer and components in Mainland China. Except the newly introduced casings for robot vacuums, there were no significant changes in the nature of the subsidiaries’ principal activities during the Period.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standards (“HKASs”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

Going concern assumptions

The Group incurred net profit of approximately HK\$5,204,000 for the Period, and as of that date, the Group had net current assets of approximately HK\$98,419,000, however, the Group had net liabilities of approximately HK\$175,995,000 and net operating cash outflow of approximately HK\$4,350,000 for the Period.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

The Interim Financial Statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 30 June 2025 and subsequently thereto up to the date when the Interim Financial Statements are authorised for issue. In order to improve the Group’s financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted several measures together with other measures in progress at the date when the Interim Financial Statements are authorised for issue, including but not limited to, the followings:

- (a) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure; and
- (b) The management is in process to develop a plan to restructure the Group’s business, improve operational efficiency, and explore new opportunities.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these Interim Financial Statements.

3. ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted are consistent with those adopted in the Group's financial statements for the year ended 31 December 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current Period's financial information.

Amendments to HKAS 21	The effects of changes in foreign exchange rates: lack of exchangeability ¹
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¹ Effective for annual periods beginning on or after 1 January 2025

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's consolidated Interim Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of the casings of notebook and tablet computer and components as well the newly introduced casings for robot vacuums. Almost all of the Group's products are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are attributable to a single reportable operating segment.

In addition, the Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, Mainland China, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

Information about major customers

Revenue derived from sales to individual customers which contribute over 10% of the total revenue of the Group is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Customer A	—	6,040
Customer B	—	2,261
Customer C*	14,557	—
Customer D	—	4,827
Customer E	—	2,718
Customer F	—	2,993
Customer G*	23,746	—
	38,303	18,839

* Revenue from the sales to Customer C and Customer G accounted for less than 10% to the total revenue of the Group for the six months ended 30 June 2024.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold	47,952	27,661
Depreciation of property, plant and equipment	—	3,208
Depreciation of right-of-use assets	—	1,980
Employee benefit expense (excluding directors' remuneration):		
Salaries and wages	1,052	7,364
Pension scheme contributions	706	1,676
Foreign exchange differences, net	(11,144)	7,321

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2024: Nil). No provision for corporate income tax in Mainland China has been made as the Group did not generate any assessable profits in Mainland China during the Period.

Pursuant to the Corporate Income Tax Law of the PRC being effective on 1 January 2008, the income tax unified at 25% for all enterprises in Mainland China.

通達宏泰科技(蘇州)有限公司(Tongda HT Technology (Suzhou) Company Limited), as a High New Technology Enterprise, was subject to a preferential tax rate of 15% starting from the year ended 31 December 2022 for three years.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Total current tax charge for the period from Mainland China	—	—

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The Group has estimated tax losses arising in Mainland China of HK\$362,182,000 (31 December 2024: HK\$362,182,000) that will expire in five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as directors consider that it is uncertain that whether sufficient taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

7. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the Period (six months ended 30 June 2024: Nil).

8. PROFIT/(LOSS) PER SHARE

The calculations of basic and diluted profit/(loss) per share are based on:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit/(loss):		
Profit/(loss) for the period attributable to owners of the Company used in the basic and diluted profit/(loss) per share calculation	<u>5,204</u>	<u>(23,674)</u>
Weighted average number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted profit/(loss) per share	<u><u>204,224,073</u></u>	<u><u>371,547,158</u></u>

The Group had no potentially dilutive ordinary shares in issue during the Period and for the six months ended 30 June 2024.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$Nil (six months ended 30 June 2024: HK\$Nil).

10. INVENTORIES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Raw materials	431	456
Work in progress	6,698	11,124
Finished goods	21,737	13,091
	<u>28,866</u>	<u>24,671</u>

11. TRADE AND BILLS RECEIVABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade receivables	41,666	41,841
Impairment	(1,177)	(1,138)
	<u>40,489</u>	<u>40,703</u>
Bills receivable	79	492
	<u>40,568</u>	<u>41,195</u>

As at 30 June 2025, the Group has bills receivable of approximately HK\$79,000 (31 December 2024: approximately HK\$492,000) were measured at fair value through other comprehensive income as these trade and bills receivables are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. As at 30 June 2025, approximately 21.8% (31 December 2024: approximately 38.7%) of the total trade and bills receivables, and approximately 70.9% (31 December 2024: approximately 89.9%) of the total trade and bills receivables, were due from the Group's largest customer and the five largest customers, respectively.

An ageing analysis of the Group's trade and bills receivables as at the end of the Period, based on the invoice date and net of provisions, is as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Within 3 months	23,985	38,495
4 to 6 months, inclusive	14,092	1,118
7 to 9 months, inclusive	2,314	824
10 to 12 months, inclusive	—	758
Over 1 year	177	—
	40,568	41,195

The impairment of trade receivables included the amount of a specific trade receivable which is considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full.

No loss allowance was provided for bills receivable because management considers that there were minimal expected credit losses associated with the bills receivable in view of the fact that majority of these bills receivable were issued by creditworthy banks and the balances are not yet past due.

12. TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled on terms of one to four months. An ageing analysis of the Group's trade payables as at the end of the Period, based on the invoice date, is as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Within 3 months	27,692	26,986
4 to 6 months, inclusive	—	2,210
7 to 9 months, inclusive	—	474
10 to 12 months, inclusive	—	—
Over 1 year	—	2,379
	27,692	32,049

13. OTHER PAYABLES AND ACCRUALS

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
Other payables	(a)	293,607	286,929
Accruals		1,595	1,816
Receipt in advance		1,428	1,380
		<u>296,630</u>	<u>290,125</u>
Less: Non-current portion for other payable	(b)	<u>(274,434)</u>	<u>—</u>
Current portion		<u>22,196</u>	<u>290,125</u>

Notes:

- (a) One of the other payables recognised in non-current portion (31 December 2024: current portion) of HK\$181,055,000 (31 December 2024: HK\$181,055,000) is unsecured, bear interest ranges from 3.6% to 4.75% (31 December 2024: 4.75%) per annum and repayable after one year (31 December 2024: repayable within one year). The corresponding accrued interest of HK\$23,937,000 (31 December 2024: HK\$20,159,000) is repayable after one year (31 December 2024: repayable within one year).
- (b) Another payable recognised in non-current portion (31 December 2024: current portion) of HK\$60,000,000 (31 December 2024: HK\$Nil) is unsecured, bear interest at 7.00% (31 December 2024: 7.00%) per annum and repayable after one year (31 December 2024: repayable within one year). The corresponding accrued interest of HK\$9,441,000 (31 December 2024: HK\$7,364,000) is repayable after one year (31 December 2024: repayable within one year).
- (c) The remaining other payables recognised in current portion are unsecured, non-interest-bearing and repayable on demand.

14 LOANS FROM AND AMOUNTS DUE TO RELATED PARTIES

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
Loan from Mr. Wang Ya Nan	(a)	2,400	2,400
Amount due to Tongda Group International Limited	(a), (b)	336	336
Amount due to Tong Da General Holdings (HK) Limited	(a), (b)	153	212
		<u>2,889</u>	<u>2,948</u>

Notes:

- (a) The balance of loan from Mr. Wang Ya Nan of HK\$2,400,000 is unsecured, bearing interest at 2% per annum and is repayable on demand. The remaining balances of amounts due to related parties are unsecured, non-interest bearing and repayable on demand.
- (b) Tongda Group International Limited and Tong Da General Holdings (HK) Limited are related companies controlled by Mr. Wang Ya Nan.

CAUTIONARY STATEMENT REGARDING FORWARD- LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to the financial conditions, results of operations and the business of Tongda Hong Tai Holdings Limited (the “Company”, and together with its subsidiaries the “Group” or “We”). These forward-looking statements represent the Group’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like “potential”, “estimated”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “estimates”, and similar expressions or variations on such expressions may be considered “forward-looking statements”.

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements pertain only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group’s results of operations are described in the section headed “Management Discussion and Analysis” below.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a “one-stop” manufacturing solution provider of casings for notebooks, tablet computers, and components, including the newly introduced casings for robot vacuums.

During the Period, the Group’s revenue increased by approximately 136.8%, from approximately HK21.2million for the same period last year to approximately HK\$50.2 million. The increase was mainly attribute to the new product launch of casings for robot vacuum. The notebooks and tablet computers market are facing challenges from volatile trade policies and tariff uncertainty which hinders the sales of casings of notebook.

During the period, the Group’s gross profit margin has turned around from gross loss to profit was mainly attributable to actively optimized its business strategies and controlled costs by optimizing its existing resources. The Group had also carried on with its reassessment of its projects to adjust product portfolio and market strategy which resulted in improving profit margin.

BUSINESS PROSPECTS

During the period, the business outlook remains challenging due to economic and political uncertainties and anticipated volatility for the rest of the year. Worsen macroeconomic condition, degrading consumer spending, inflation, geopolitical tensions are major challenges to the industry. The Group is continuously reviewing itself with enhancing competitiveness.

Despite these challenges, the rise of AI-capable notebook computer presents an opportunity for growth. Technology innovation and upgrades continue to provide growth momentum for the market. The Group expects to seize the opportunity from the trend of AI notebook computer deployment.

The Group adopted more prudent decision-making approach, the management of the Group will explore to capture new business opportunities in trading of materials as well as the research and development in AI Technology and other innovative technology project by making use of our existing production facilities.

FINANCIAL REVIEW

The Group's total revenue increased by approximately 136.8%, from approximately HK\$21.2 million for the same period last year to approximately HK\$50.2 million during the Period. The increase was mainly due to the launch of new business in casings of robot vacuum which resulted in more sales order received.

During the Period, the Group recorded a gross profit of approximately HK\$2.3 million, as compared to a gross loss of approximately HK\$6.4 million for the same period last year, which was mainly due to actively optimized its business strategies and controlled costs by optimizing its existing resources.

The Group's selling and distribution expenses increased by approximately 100%, from approximately HK\$0.05 million for the same period last year to approximately HK\$0.1 million during the Period, which was due to increase in entertainment expense during the Period and was in line with the increase in revenue.

The Group's general and administrative expenses decreased by approximately 42.3%, from approximately HK\$5.2 million for the same period last year to approximately HK\$3.0 million during the Period. The decrease was due to the decrease in salary expenses, legal and professional fee and depreciation.

The Group's finance costs decreased from approximately HK\$6.6 million for the same period last year to approximately HK\$6.0 million for the Period. The decrease in finance costs was mainly attributable to the decrease in interest rate paid for interests on a loan from independent third parties.

The Group's other income, decreased from approximately HK\$1.1 million for the same period last year to approximately HK\$0.8 million for the Period, which was due to the reduction in the rental income and the sales of scrap materials during the Period.

The Group's other operating income, net, recorded approximately HK\$11.3 million for the Period, as compared to other operating expense, net of approximately HK\$6.5 million for the same period last year, which was due to decrease in impairment of property, plant and equipment and increase in exchange gain due to appreciation of Renminbi for the Period.

As a result of the foregoing, the Group's profit for the Period attributable to equity holders of the Company amounted to approximately HK\$5.2 million, as compared with a loss of approximately HK\$23.7 million for the same period last year. Basic profit per share attributable to equity holders of the Company was approximately HK2.55 cents for the Period as compared with basic loss per share attributable to equity holders of the Company of approximately HK6.39 cents for the same period last year.

The Group's inventory turnover days decreased from approximately 152.3 days for the year ended 31 December 2024 to approximately 101.9 days for the Period, the decrease reflects the effective implementation of operating cash flow measures to combat the negative impact caused by the internal and external economic challenges.

The Group's trade and bills receivables turnover days decreased from approximately 188.1 days for the year ended 31 December 2024 to approximately 148.6 days for the Period. The decrease reflects effective implementation of operating cash flow measures to combat the negative impact caused by the internal and external economic challenges.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$81.4 million (31 December 2024: approximately HK\$84.2 million), which were denominated in USD, HK\$ and RMB.

As at 30 June 2025, the Group had restricted bank balances of approximately HK\$0.8 million (31 December 2024: approximately HK\$1.1 million).

As at 30 June 2025, the Group had no interest-bearing bank borrowings payable within one year (31 December 2024: HK\$Nil).

As at 30 June 2025, the Group had no interest-bearing bank borrowings payable more than one year (31 December 2024: HK\$Nil).

As at 30 June 2025, the Group had interest-bearing loans from independent third parties of approximately HK\$268.8 million (31 December 2024: approximately HK\$268.6 million).

As at 30 June 2025, the Group had interest bearing loans from a related party (who is also one of the former controlling shareholders) of approximately HK\$2.4 million (31 December 2024: approximately HK\$2.4 million).

Average trade and bills receivable turnover days as at 30 June 2025 was approximately 148.6 days (31 December 2024: approximately 188.1 days).

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to four months. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Average inventory turnover days as at 30 June 2025 was approximately 101.9 days (31 December 2024: approximately 152.3 days). Overall, the current ratio of the Group as at 30 June 2025 was approximately 2.66 (31 December 2024: approximately 0.48).

Gearing ratio is calculated based on total borrowings (i.e. certain interest-bearing other payables classified as current and non-current portion and loans from and amounts due to related parties) less total cash and bank balances (including restricted bank balances) divided by total equity attributable to equity holders of the Company as at year-end date and expressed as a percentage.

As at 30 June 2025, as the equity attributable to equity holders of the Company was a deficit of approximately HK\$175,995,000 (31 December 2024: HK\$171,387,000), it is not appropriate to calculate the gearing level as at 30 June 2025 (31 December 2024: same).

The Group's operations were mainly financed by internal resources including but not limited to existing cash and cash equivalents, cash flow from its operating activities, the net proceeds generated from the Listing and Rights Issue, other payables and from and amounts due to related parties. The Board believes that the Group's liquidity needs will be satisfied.

CAPITAL STRUCTURE

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018.

On 12 January 2024, the Board of the Company proposed to implement the shares consolidation, pursuant to which every ten issued and unissued existing shares of par value HK\$0.01 each consolidated into one consolidated share of par value HK\$0.1 each (the "Shares Consolidation"). The Shares Consolidation was completed and effective on 19 March 2024. Immediately following the Shares Consolidation having become effective, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 1,000,000,000 existing shares to HK\$60,000,000 divided into 600,000,000 consolidated shares by the creation of an additional 500,000,000 new consolidated shares, details of which were disclosed in the Company's circular dated 29 February 2024.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of approximately HK\$Nil during the Period (31 December 2024: approximately HK\$Nil), which was mainly for the additions and expansions of property, plant and equipment. Management believes that the Group's ability to invest in capital expenditure in timely anticipation of demand is a competitive advantage of the Group.

FOREIGN EXCHANGE

Given the increasingly international nature of our operations and business coverage, the Group faces foreign exchange exposure including transaction and translation exposure. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. The Group has not entered nor will it enter into any derivative transactions for speculative trading purposes as at 30 June 2025 (31 December 2024: Nil).

SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

EMPLOYEE INFORMATION

As at 30 June 2025, the Group employed a total of 22 permanent employees, who are mainly employees in production department, and same number of permanent employees as at 30 June 2024. Total employee benefit expenses including Directors' remuneration for the Period were approximately HK\$2.6 million, as compared to approximately HK\$9.8 million in the same period last year. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, bonuses, social insurance and mandatory pension fund contribution. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. Our employees in Hong Kong participate in the mandatory provident fund scheme.

CHARGE ON GROUP ASSETS

As at 30 June 2025, the Group had no charges on Group's assets (31 December 2024: Nil).

INTERIM DIVIDEND

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

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Period.

CORPORATE GOVERNANCE CODE

The Board of the Company is committed to achieving high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

During the Period and up to the date of this announcement, the Company has complied with all the applicable code provisions of the CG Code as the basis of the Company's corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions (the "Securities Dealing Code") by the Directors and employees who, because of his office or employment in the Group, is likely to possess inside information of the Company.

In response to specific enquires made by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Securities Dealing Code for the Period.

For the Period, the Company is not aware of any incident of non-compliance of the Securities Dealing Code by the relevant employees.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the “Audit Committee”) consists of four independent non-executive Directors including Mr. Chan Shiu Man, Mr. Wan, Aaron Chi Keung, Mr. Chan Luk On and Ms. Kwok Sau King Tina. Mr. Chan Shiu Man is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group, the unaudited interim results announcement of the Company for the Period, and considered that they were prepared in compliance with the relevant accounting standards and that adequate disclosures have been made.

EVENTS AFTER THE PERIOD

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Period requiring disclosure in this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website at <http://www.tongdahongtai.com>. The full interim report will be made available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Tongda Hong Tai Holdings Limited
Lee King On Jeff
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the executive Directors are Mr. Lee King On Jeff and Mr. Wang Ming Zhi; and the independent non-executive Directors are Mr. Chan Shiu Man, Mr. Wan, Aaron Chi Keung and Mr. Chan Luk On.