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L U X X U

GROUP LIMITED

Luxxu Group Limited

勵時集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1327)

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

The board (the “Board”) of directors (the “Directors”) of Luxxu Group Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 together with the comparative figures. This announcement, containing the full text of the 2025 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in relation to information to accompany preliminary announcements of interim results. This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.luxxu.hk). The printed version of the Company’s Interim Report will be despatched to the shareholders of the Company and available on above websites in due course.

By order of the Board
Luxxu Group Limited
Yang Xi
Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises two executive Directors, being Mr. Liang Yanhuang and Mr. Yang Xi; and three independent non-executive Directors, being Mr. Yu Chon Man, Ms. Duan Baili and Mr. Zhong Weili.

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MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue slightly decreased by approximately RMB0.7 million or 3.2% from approximately RMB22.1 million for the six months ended 30 June 2024 to approximately RMB21.4 million for the six months ended 30 June 2025. The decrease in revenue was mainly attributable to the decrease in sales order due to the keen competition in the industry which net off with the effect of increase in exhibition income and increase in average selling price of the Group's branded watches.

Cost of sales

Our cost of sales decreased by approximately RMB3.5 million or 21.7% from approximately RMB16.1 million for the six months ended 30 June 2024 to approximately RMB12.6 million for the six months ended 30 June 2025. The decrease is consistent with the decrease in revenue of sales of branded watches for the period.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB2.9 million or 49.2% from approximately RMB5.9 million for the six months ended 30 June 2024 to approximately RMB8.8 million for the six months ended 30 June 2025. The increase was mainly due to the increase in average selling price of the Group's branded watches for the six months ended 30 June 2025. Our overall gross profit margin increased from approximately 26.9% for the six months ended 30 June 2024 to approximately 41.1% for the six months ended 30 June 2025.

Other gain and loss

Our other gain and loss recognised a gain of approximately RMB1.2 million for the six months ended 30 June 2025, representing a turnaround from loss of approximately RMB5.7 million for the six months ended 30 June 2024. The turnaround was primarily attributable to the unrealised fair value change on financial assets at fair value through profit or loss. For details of the realised and unrealised gain/loss, please refer to significant investments section.

Selling and distribution expenses

Our selling and distribution expenses remained stable from approximately RMB2.8 million for the six months ended 30 June 2024 to approximately RMB2.8 million for the six months ended 30 June 2025.

Administrative expenses

Our administrative expenses increased by approximately RMB4.7 million from approximately RMB6.7 million for the six months ended 30 June 2024 to approximately RMB11.4 million for the six months ended 30 June 2025. The increase was mainly attributable to increase in depreciation and staff cost.

Finance costs

There was finance costs of approximately RMB1.3 million for the six months ended 30 June 2025 while approximately RMB1.5 million for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss before taxation

As a result of the foregoing, our loss before taxation amounted to approximately RMB5.6 million for the six months ended 30 June 2025 (2024: loss before taxation of approximately RMB10.7 million).

Loss for the period

As a result of the foregoing, loss for the period decreased from approximately RMB10.7 million for the six months ended 30 June 2024 to approximately RMB5.6 million for the six months ended 30 June 2025. Such decrease was primarily due to net effect of increase in gross profit and administrative expense and the turnaround of other gain and loss.

OUTLOOK AND FUTURE PROSPECTS

Going forward, the Group aimed to offer premium quality products to customers and will continue to strengthen our core competitiveness by improving our watch and jewellery design and development capabilities by upholding the design and artistic knowledge of the design team and recruitment of additional talents. In view of the economy condition in Hong Kong and the PRC, the Group expects 2025 will be a challenging year. The Group will closely monitor the market response and remix the business and product portfolio to suit the market needs, including but not limited to design, manufacture and sales of prestige and high-end watches and jewellerys and stay competitive.

In view of (i) the growing middle-class, (ii) increase of disposal income, in particular among Chinese women, and (iii) the rising women's job participation rate, the Group still believe that there is a strong force behind the consumption of prestige and high-end watches and luxury jewellerys and accessories in long run. The Group should allocate more resources and effort to strengthen our design team and consider crossover design with some famous designer so that the Group can offer fashionable and affordable watches and jewellerys suitable for wearing in workplace.

Looking beyond the near-term uncertainties, the Group remains committed to seeking and seizing new opportunities, and is well-prepared to shine in the future.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities, bond payables and capital market.

As at 30 June 2025, the Group's total cash and bank balances were approximately RMB2.4 million (31 December 2024: approximately RMB1.0 million), most of which are held in HK\$. The current ratio (defined as current assets divided by current liabilities) of the Group increased from 5.7 times as at 31 December 2024 to 15.5 times as at 30 June 2025. The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group decreased from approximately 86.2% as at 31 December 2024 to approximately 52.0% as at 30 June 2025.

DEBTS AND CHARGE ON ASSETS

As at 30 June 2025, none of the assets of the Group has been pledged to secure any loan granted to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENT

As at 30 June 2025, the Group did not have any material capital commitment (31 December 2024: RMB Nil).

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and United States dollars. During the six months ended 30 June 2025, the Group has not entered into any hedging arrangements. However the management will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

CAPITAL STRUCTURE

Details of the movement in share capital of the Company during the six months ended 30 June 2025 are set out in Note 12 to the condensed consolidated interim financial statements.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025 and 31 December 2024.

DIVIDEND PAYMENT

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

SIGNIFICANT ACQUISITIONS OR DISPOSALS

During the six months ended 30 June 2025, there were no material acquisitions or disposals of subsidiaries and associated companies.

SIGNIFICANT INVESTMENTS

At 30 June 2025, detail of the significant investments are as follows:

Name of investee	Fair value gain/(loss) RMB'000	As at 30 June 2025 RMB'000	Percentage to the Group's audited total assets as at 30 June 2025 %	Number of shares held by the Group as at 1 January 2025	Percentage of shareholding held by the Group as at 1 January 2025 %	Number of shares held by the Group as at 30 June 2025	Percentage of shareholding held by the Group as at 30 June 2025 %
Significant investments							
SEEC Media Group Limited ("SEEC") (stock code: 205.HK) (note (a))	2,278	4,437	6.4%	11,620,000	1.58%	11,620,000	1.58%
AMCO United Holding Limited ("AMCO") (stock code: 630.HK) (note (b))	4,076	7,337	10.5%	29,890,000	3.09%	29,890,000	3.09%
Other listed securities	(5,204)	4,079	5.8%				
Total	1,150	15,853	22.7%				

MANAGEMENT DISCUSSION AND ANALYSIS

Note:

- (a) SEEC and its subsidiaries are principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. Based on SEEC's annual report for the year ended 31 December 2024, revenue and loss of SEEC was approximately HK\$30,151,000 and HK\$28,882,000 respectively.

The Group's total investment in SEEC was approximately HK\$4.9 million. As at 30 June 2025, the Group owned 11,620,000 shares of SEEC, representing 1.58% equity interests in SEEC with a carrying amount of the Group's interest in SEEC of approximately HK\$4.9 million, representing approximately 6.4% of the total assets of the Company as at 30 June 2025. Up to 30 June 2025, no dividends was received from SEEC. The fair value of SEEC is based on quoted market prices.

- (b) AMCO and its subsidiaries are principally engaged in (i) sale of medical products; (ii) sale of plastic moulding products; (iii) provision of money lending; and (iv) investment in securities. Based on AMCO's annual report for the year ended 31 December 2024, revenue and loss of AMCO was approximately HK\$37,792,000 and HK\$1,233,000 respectively.

The Group's total investment in AMCO was approximately HK\$3.0 million. As at 30 June 2025, the Group owned 29,890,000 shares of AMCO, representing 3.09% equity interests in AMCO with a carrying amount of the Group's interest in AMCO of approximately HK\$8.0 million, representing approximately 10.5% of the total assets of the Company as at 30 June 2025. Up to 30 June 2025, no dividends was received from AMCO. The fair value of AMCO is based on quoted market prices.

- (c) The Group's investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 30 June 2025, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 56 (31 December 2024: 56) employees. The total remuneration costs incurred by the Group for the six months ended 30 June 2025 were approximately RMB4.7 million (for the six months ended 30 June 2024: approximately RMB3.5 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as known to the Directors, at 30 June 2025, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance

MANAGEMENT DISCUSSION AND ANALYSIS

("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Main Board Listing Rules ("Model Code"), were as follows:

At 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

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

As at 30 June 2025, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" above, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates, of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any associated corporation and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the six months ended 30 June 2025.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the directors of the Company and their respective associates (as defined under Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2025, the Group had adopted and complied with the code provisions (the “Code Provisions”) set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising three Independent Non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a model code of practice for securities dealings by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code set out in Appendix 10 to the Listing Rules. The Company has confirmed, after making specific enquiries with the Directors in accordance with the code of practice, that all the Directors have complied with the Model Code for the six months ended 30 June 2025.

BOARD OF DIRECTORS

As at 30 June 2025, the Board comprises two Executive Directors and three Independent Non-executive Director as follows:

Executive Directors

Mr. Liang Yanhuang
Mr. Yang Xi

Independent Non-Executive Directors

Mr. Yu Chon Man
Ms. Duan Baili
Mr. Zhong Weili

By Order of the Board
Luxxu Group Limited
Liang Yanhuang
Executive Director

29 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

The Board of directors (the “Board”) of Luxxu Group Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024 as follows:

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	21,366	22,090
Cost of sales		(12,577)	(16,144)
Gross profit		8,789	5,946
Other gain and loss	4	1,150	(5,733)
Selling and distribution expenses		(2,785)	(2,762)
Administrative expenses		(11,442)	(6,680)
Finance costs	5	(1,303)	(1,500)
Loss before taxation		(5,591)	(10,729)
Taxation	6	–	–
Loss for the period	7	(5,591)	(10,729)
Other comprehensive (loss)/income for the period, net of tax			
Exchange differences on translation of foreign operations		(2,136)	136
Other comprehensive (loss)/income for the period, net of tax		(2,136)	136
Total comprehensive loss for the period		(7,727)	(10,593)
Loss for the period attributable to:			
– Owners of the Company		(5,591)	(10,729)
Total comprehensive loss for the period attributable to:			
– Owners of the Company		(7,727)	(10,593)
Loss per share attributable to owners of the Company			(Restated)
– Basic and diluted (RMB) (cents)	8	(3.5)	(9.6)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	10	837	3,464
Right-of-use assets		6,531	8,520
Rental deposits		1,830	1,893
		9,198	13,877
CURRENT ASSETS			
Inventories		28,460	26,629
Trade receivables	11	11,682	13,986
Deposits, prepayments and other receivables		2,195	3,625
Financial assets at fair value through profit or loss		15,853	14,604
Cash and bank balances		2,382	1,030
		60,572	59,874
CURRENT LIABILITIES			
Lease liabilities		3,425	3,419
Accruals and other payables		403	1,934
Bond payable		–	5,146
Income tax payables		70	70
		3,898	10,569
NET CURRENT ASSETS		56,674	49,305
TOTAL ASSETS LESS CURRENT LIABILITIES		65,872	63,182
NON-CURRENT LIABILITIES			
Lease liabilities		3,293	5,202
Bond payable		21,418	24,084
		24,711	29,286
NET ASSETS		41,161	33,896
CAPITAL AND RESERVES			
Share capital	12	1,911	45,286
Reserves		39,250	(11,390)
TOTAL EQUITY		41,161	33,896

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Foreign currency translation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025 (Audited)	45,286	473,246	8,917	5,919	(499,472)	33,896
Loss for the period	-	-	-	-	(5,591)	(5,591)
Other comprehensive income for the period	-	-	(2,136)	-	-	(2,136)
Capital reduction	(44,381)	-	-	-	44,381	-
Issuance of shares upon right issue	1,006	13,986	-	-	-	14,992
Changes in equity for the period	(43,375)	13,986	(2,136)	-	38,790	7,265
At 30 June 2025 (Unaudited)	1,911	487,232	6,781	5,919	(460,682)	41,161

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Foreign currency translation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024 (Audited)	45,286	473,246	5,248	5,919	(447,508)	82,191
Loss for the period	-	-	-	-	(10,729)	(10,729)
Other comprehensive income for the period	-	-	136	-	-	136
Changes in equity for the period	-	-	136	-	(10,729)	(10,593)
At 30 June 2024 (Unaudited)	45,286	473,246	5,384	5,919	(458,237)	71,598

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash used in operating activities	(2,824)	(235)
Net cash used in investing activities	–	–
Net cash generated from/(used in) financing activities	4,233	(410)
Net increase/(decrease) in cash and cash equivalents	1,409	(645)
Effect of foreign exchange rates changes	(57)	28
Cash and cash equivalents at the beginning of the period	1,030	1,998
Cash and cash equivalents at the end of the period	2,382	1,381

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company is an investment company. The Group is principally engaged in the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillon watches and luxury jewellery watches, OEM watches and third-party watches and assists customers to hold exhibition.

Items included in the financial statements of each of the Group’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is Hong Kong dollars. For the purpose of presenting the consolidated financial statements, the Group adopted Renminbi (“RMB”) as its presentation currency. All financial information presented in RMB has been rounded to the nearest thousand.

2. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements.

The directors of the Company anticipate that the new and amended HKFRS Accounting Standards will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of such standards. The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. Currently it has been considered that the adoption of them is unlikely to have a material impact on the Group’s results of operations and financial position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. OPERATING SEGMENT

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in two business segment in manufacturing, trading and retailing business of watches and assists customers to hold exhibition. A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segments.

Turnover from major products

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Branded watches	16,655	19,080
Exhibition income	4,711	3,010
	21,366	22,090

Geographical information

The Group's operations and non-current assets are mainly located in the People's Republic of China (the "PRC") and Hong Kong. The Group's revenue from external customers based on the location of the customers is detailed as below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Hong Kong, China	4,711	3,010
The PRC (excluding Hong Kong)	16,655	19,080
	21,366	22,090

Information about major customer

No information about major customers is presented as no single customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. OTHER GAIN AND LOSS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Unrealised fair value loss on financial assets at fair value through profit or loss	1,150	(5,733)
	1,150	(5,733)

5. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest arising from bond payables and lease liabilities	1,303	1,500

6. TAXATION

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Hong Kong profits tax	–	–
Deferred taxation reversed in Hong Kong	–	–
	–	–

Hong Kong

No Hong Kong profits tax has been provided as no estimated assessable profit arising in or derived from Hong Kong for the six months ended 30 June 2025 and 2024.

The PRC

The PRC Enterprise Income Tax (the “PRC EIT”) is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% from 1 January 2008 onwards.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging:		
Total employee expenses (including directors' remuneration)	4,716	3,530
Advertising expenses	2,785	962
Cost of inventories recognised as an expense	12,577	16,144
Depreciation	4,291	3,870

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share for the period is based on the following data:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share, loss for the period attributable to the owners of the Company	(5,591)	(10,729)

	Six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Number of shares		(Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share (Notes a and b)	158,580	111,305

Notes:

- The weighted average number of ordinary shares of 158,579,585 for the six months ended 30 June 2025 is derived from 107,827,200 in issue as at 1 January 2025, after taking into account the effects of the (i) the Share Consolidation under Capital Reorganisation with effect on 14 March 2025; and (ii) rights issue completed on 30 April 2025.
- The weighted average number of ordinary shares of 111,305,496 (restated) for the six months ended 30 June 2024 is derived from 107,827,200 in issue as at 1 January 2024, after taking into account the effect of the Share Consolidation under Capital Reorganisation with effect on 14 March 2025, and assuming the Capital Reorganisation had been completed on 1 January 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

- (b) Diluted loss per share for the six months ended 30 June 2025 and 2024 were the same as basic loss per share as it is assumed that there is no potential dilutive ordinary shares in existence since the exercise of share options was anti-dilutive.

9. INTERIM DIVIDENDS

The board of directors do not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group did not acquire any property, plant and equipment (2024: Nil).

11. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	61,298	65,317
Less: Allowance for expected credit losses	(49,616)	(51,331)
	11,682	13,986

The Group generally allows credit period of 0 to 180 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 30 days	3,091	1,083
31 to 60 days	3,026	735
61 to 90 days	–	553
91 to 180 days	1,838	498
Over 180 days	3,727	11,117
	11,682	13,986

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value HK\$'000
Authorised:			
As at 1 January 2024, 31 December 2024 and 1 January 2025, ordinary shares of HK\$0.10 each			
		1,300,000	130,000
Share Consolidation	(a)	(1,040,000)	–
Share Subdivision	(a)	12,740,000	–
As at 30 June 2025, ordinary shares of HK\$0.01 each			
		13,000,000	130,000
	Notes	Number of shares '000	Nominal value of ordinary shares HK\$'000 RMB'000
Issued and fully paid:			
As at 1 January 2024, 31 December 2024 and 1 January 2025, ordinary shares of HK\$0.10 each			
		539,136	53,914 45,286
Share Consolidation	(a)	(431,309)	– –
Capital Reduction	(a)	–	(52,835) (44,381)
Rights Issued	(b)	107,827	1,078 1,006
As at 30 June 2025, ordinary shares of HK\$0.01 each			
		215,654	2,157 1,911

Notes:

- (a) On 14 March 2025, the Company completed a capital reorganisation (the “Capital Reorganisation”) involving the share consolidation (the “Share Consolidation”), the capital reduction (the “Capital Reduction”) and the share subdivision (the “Share Subdivision”). The Capital Reorganisation was approved at the special meeting held on 7 February 2025. Details of which are as follows:

i) Share Consolidation

Every five (5) issued and unissued Existing Shares of par value of HK\$0.10 each was consolidated into one (1) Consolidated Share of par value of HK\$0.50 each;

ii) Capital Reduction

The issued share capital of the Company will be reduced by cancelling the paid-up share capital of the Company to the extent of HK\$0.49 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$0.50 to HK\$0.01. The credit arising from the Capital Reduction was applied towards offsetting against the accumulated loss of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated loss of the Company; and

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. SHARE CAPITAL (Continued)

Notes: (Continued)

(a) (Continued)

iii) Share Subdivision

Immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares of par value of HK\$0.50 each in the authorised share capital of the Company was subdivided into fifty (50) authorised but unissued Adjusted Shares of par value of HK\$0.01 each.

- (b) On 2 December 2024, the Company announced a proposed rights issue on the basis of one rights share for every one shares in issue at a subscription price of HK\$0.15 per share to raise up to approximately HK\$16.2 million before expenses (the "Rights Issue") by way of issuing up to 107,827,200 Rights Shares. On 30 April 2025, the Company allotted and issued 107,827,200 ordinary shares of HK\$0.15 each by way of rights issue and the number of issued share capital of the Company was increased to 215,654,400. The net proceeds from the Rights Issue after deducting related expenses were approximately HK\$15.2 million.

13. SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Share Option Scheme") adopted on 19 December 2014. The Share Option Scheme will remain in force for a period of 10 years since the date of adoption. During the six months ended 30 June 2025, no share options has been granted under the Share Option Scheme (2024: Nil).

Details of the movements in the number of share options under the Share Options Scheme during the period were as follows:

	Date of grant	Exercise price	Exercise period	Vesting period	Outstanding at 1 January 2025 '000	Granted during the period '000	Exercised during the period '000	Adjustment during the period '000	Outstanding at 30 June 2025 '000
Employees	11 April 2019	HK\$1.99	11 April 2019 to 10 April 2029	No	29,376	–	–	(23,311)	6,065
Total					29,376	–	–	(23,311)	6,065

14. EVENT AFTER THE REPORTING PERIOD

There is no material event affecting the Group which has occurred since the end of the reporting period.