TA YANG GROUP HOLDINGS LIMITED
大洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1991)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Ta Yang Group Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 with comparative figures for the corresponding period in the previous year as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**290,663**	514,096
Cost of sales		**(228,865)**	(476,972)
Gross profit		**61,798**	37,124
Other income and net gain		**9,257**	20,666
Selling and distribution expenses		**(11,417)**	(12,755)
Administrative expenses		**(44,765)**	(63,441)
Other operating expenses		**–**	(3)
Finance costs		**(12,439)**	(12,486)
Profit/(loss) before tax		**2,434**	(30,895)
Income tax expense	5	**(23)**	(762)
Profit/(loss) for the period	6	**2,411**	(31,657)

	Notes	Six months ended 30 June **2025** *HK$'000* **(Unaudited)**	2024 *HK$'000* (Unaudited)
Profit/(Loss) for the period attributable to:			
Owners of the Company		**(12,116)**	(18,833)
Non-controlling interests		**14,527**	(12,824)
		2,411	(31,657)

	Notes	Six months ended 30 June **2025** *HK cents* **(Unaudited)**	2024 *HK cents* (Unaudited) (Re-presented)
Loss per share	7		
Basic and diluted		**(8.45)**	(14.41)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**2,411**	(31,657)
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss:		
Fair value gain on financial assets at fair value through other comprehensive income ("**FVTOCI**")	**(302)**	200
	(302)	200
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	**(9,907)**	4,030
	(9,907)	4,030
Other comprehensive (expenses)/income for the period	**(10,209)**	4,230
Total comprehensive expenses for the period, net of income tax	**(7,798)**	(27,427)
Total comprehensive expenses for the period, net of income tax, attributable to:		
Owners of the Company	**(22,325)**	(15,217)
Non-controlling interests	**14,527**	(12,210)
	(7,798)	(27,427)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2025 HK$'000 (Unaudited)	At 31 December 2024 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**45,142**	46,203
Right-of-use assets		**62,671**	65,399
Investment properties		**16,000**	16,000
Goodwill		**20,552**	20,552
Financial assets at fair value through other comprehensive income		**11,199**	11,203
Interests in associates		**445**	–
Deferred tax assets		**400**	400
Loan receivables		**54,566**	54,566
Deposit		**16,268**	16,268
		227,243	230,591
Current assets			
Inventories		**35,381**	30,673
Trade and other receivables	9	**381,589**	286,122
Loan receivables		**61,609**	56,711
Bank balances and cash		**7,304**	11,924
		485,883	385,430
Current liabilities			
Trade and other payables	10	**419,552**	327,014
Income tax payable		**15,164**	14,886
Borrowings		**170,818**	164,392
Lease liabilities		**13,914**	14,151
		619,448	520,443
Net current liabilities		**(133,565)**	(135,013)
TOTAL ASSETS LESS CURRENT LIABILITIES		**93,678**	95,578

	Notes	**At 30 June 2025** **HK$'000** **(Unaudited)**	At 31 December 2024 HK$'000 (Audited)
Capital and reserves			
Share capital		**143,347**	131,347
Reserves		**(122,324)**	(99,999)
Equity attributable to owners of the Company		**21,023**	31,348
Non-controlling interests		**13,578**	(949)
Total equity		**34,601**	30,399
Non-current liabilities			
Borrowings		**16,605**	17,909
Lease liabilities		**3,771**	8,680
Deferred income		**1,601**	1,601
Deferred tax liabilities		**1,959**	1,959
Convertible bonds		**35,141**	35,030
		59,077	65,179
		93,678	95,578

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL

Ta Yang Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is situated at 22/F, H Code, 45 Pottinger Street, Central, Hong Kong. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in manufacturing and sale of silicone rubber and related products, providing retail services, providing healthcare and hotel services and providing international digital marketing services.

The condensed consolidated interim financial information is presented in Hong Kong dollars ("**HK$**"). Other than those subsidiaries established in the PRC and the United Kingdom whose functional currencies are Renminbi ("**RMB**") and Pound Sterling ("**GBP**") respectively, the functional currency of the Group is HK$. As the Company is listed in Hong Kong, the directors of the Company (the "**Directors**") consider that it is appropriate to present the condensed consolidated interim financial information in HK$.

At 30 June 2025, the Directors consider the ultimate holding company of the Company to be Lyton Maison Limited which was incorporated in the British Virgin Islands (the "**BVI**").

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to Rules Governing the Listing of Securities on the Stock Exchange.

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

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain investment properties and financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for accounting periods beginning on 1 January 2025.

The preparation of the condensed consolidated interim financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgments in the process of applying the Group's accounting policies.

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA 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:

Amendments to HKAS 21	Lack of Exchangeability

Except as described above, the application of the amendments to HKFRSs in the current period has no material impact on the Group's performance and financial positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents fair value of the consideration received or receivable and for goods sold and healthcare and hotel services rendered in the normal course of business to customers, net of discounts and sales related taxes.

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of goods – point of time	**104,387**	178,788
Online marketing solution services – point of time	**186,276**	335,308
	290,663	514,096

4. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief operating decision maker ("**CODM**"), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment focuses on type of goods or services delivered or provided are as follows:

- Silicone rubber and related products – manufacturing and sale of silicone rubber and related products;
- Retail services – providing retail services in the United Kingdom;
- Healthcare and hotel services – providing healthcare and hotel services; and
- Online marketing solution services – providing digital marketing services.

No reporting segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

Segment revenue and results

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

	Silicone rubber and related products *HK$'000* (unaudited)	Retail services *HK$'000* (unaudited)	Healthcare and hotel services *HK$'000* (unaudited)	Online marketing solution services *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Six months ended 30 June 2025					
Revenue					
Sales to external customers	**102,048**	**2,339**	**–**	**186,276**	**290,663**
Segment results	**14,115**	**(7,097)**	**(11,278)**	**24,227**	**19,967**
Unallocated income					**–**
Unallocated expense					**(17,533)**
Profit before tax					**2,434**
Six months ended 30 June 2024					
Revenue					
Sales to external customers	118,369	60,419	–	335,308	514,096
Segment results	9,396	628	(2,580)	(22,182)	(14,738)
Unallocated income					6,683
Unallocated expense					(22,840)
Loss before tax					(30,895)

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current Taxation		
Provision for the period	**–**	707
Under-provision in prior periods	**23**	55
	23	762
Deferred Taxation		
Current period	**–**	–
	23	762

No provision for Hong Kong Profits Tax has been made in the condensed consolidated interim financial information since the Group has sufficient tax losses brought forward to set off against current and prior periods assessable profits.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and prior periods.

No provision for UK Corporate Tax for the current period has been made as the Group did not generate any assessable profits in UK.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Accordingly, provision for PRC Enterprise Income Tax for the PRC subsidiaries is calculated at 25% of estimated assessable profits for the current and prior periods.

6. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**74,845**	125,513
Depreciation of property, plant and equipment	**2,539**	4,383
Depreciation of right-of-use assets	**5,813**	8,891
Exchange loss/(gain), net	**487**	(635)
Government grants	**–**	(6,480)
Gross rental income	**(430)**	(280)
Less: Outgoings incurred for investment properties that generated rental income during the period	**–**	–
Net rental income	**(430)**	(280)
Interest income	**(3,766)**	(131)
Gain on disposal of property, plant and equipment	**(154)**	(364)
Gain on disposal of right-of-use assets	**–**	(13,210)

7. LOSS PER SHARE

Basic and diluted

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
		(Re-presented)
Loss for the period attributable to owners of the Company *(HK$'000)*	**(12,116)**	(18,833)
Weighted average number of ordinary shares in issue *('000)*	**143,347**	130,677

During the six months ended 30 June 2025 and 2024, the basic loss per share and the diluted loss per share are the same because there are no potential dilutive shares outstanding.

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 and 2024.

9. TRADE RECEIVABLES

At aging analysis of trade receivables based on the invoice date at the end of the reporting period is as follow:

	At 30 June 2025 *HK$'000* **(Unaudited)**	At 31 December 2024 *HK$'000* (Audited)
0 to 90 days	**72,674**	41,605
91 days to 1 year	**5,126**	12,014
	77,800	53,619

10. TRADE PAYABLES

An aging analysis of trade payables based on the invoice date at the end of the reporting period is as follow:

	At 30 June 2025 *HK$'000* **(Unaudited)**	At 31 December 2024 *HK$'000* (Audited)
Within 30 days or on demand	**10,216**	11,508
31 to 90 days	**18,840**	13,548
91 days to 1 year	**27,814**	26,669
Over 1 year	**2,575**	2,957
	59,445	54,682

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2025, the Group was principally engaged in (i) the designing and manufacturing of silicone rubber products (the "**Silicone Business**"); (ii) international digital marketing business (the "**Digital Marketing Business**"); (iii) the provision of retail services in the UK (the "**Retail Business**"); and (iv) healthcare and hospitality services (the "**Healthcare and Hospitality Business**").

During the first half of 2025, the global economic and trade environment evolved with difficulty. Facing challenges such as recurring US-China tariff disputes, accelerating supply chain realignment, and policy uncertainty, the Group actively promoted business diversification and structural adjustments. By focusing on technological upgrades, market diversification, and cost efficiency improvements, the Group ensured stable business operations. For the six months ended 30 June 2025, the Group's strategic focus was primarily on: (i) stabilizing its core Silicone Business, effectively managing both upstream supply chains and downstream sales channels; (ii) deepening its Digital Marketing Business to capitalize on the digital economy and regionalization dividends; and (iii) integrating its UK supermarket operations, concentrating fully on premium product selection and efficient operations.

For the six months ended 30 June 2025, the Group recorded a sales revenue of approximately HK$290,663,000 (2024: approximately HK$514,096,000), representing a decrease of approximately 43.5% compared to the same period in 2024. The Silicone Business maintained a stable customer base, though overall revenue experienced a slight decline as compared with the previous year. The performance of the Retail Business showed a significant drop compared to the first half of the previous year, primarily attributable to the restructuring of the supermarket business at the end of 2024, which resulted in a reduction in the number of retail stores and consequently lowered overall turnover. The Digital Marketing Business, as an emerging sector for the Group, also recorded a decline of revenue compared to the same period of the previous year, mainly due to intensified market competition. Despite these challenges, after reviewing the current operating environment, the management believes that the Group's established strategy focused on long-term stable development remains viable and appropriate for the six months ended 30 June 2025.

For the six months ended 30 June 2025, the Group recorded a net gain of approximately HK$2,411,000 (2024: a net loss of approximately HK$31,657,000). Compared to the corresponding period of last year, the Group's profitability level has significantly improved.

The Silicone Business

As the Group's long-standing core and primary business, the silicone segment remained a critical revenue contributor for the six months ended 30 June 2025. Compared with the same period of last year, the segment experienced a slight decline in performance, with operating results moderately lower compared with the previous year. For the period ended 30 June 2025, the silicone business recorded sales revenue of approximately HK$102,048,000 (2024: approximately HK$118,369,000).

The core production facilities of the silicone business are located in Dongguan (Guangdong Province) and Huzhou (Zhejiang Province), the People's Republic of China. The silicone segment revenue is generated through both domestic sales and exports. In the first half of 2025, due to the impact of the U.S.-China tariff trade war, certain silicone products – such as automotive seals and medical catheters – were included in tariff lists, directly increasing export costs. Although tariff policies were later adjusted, strategic materials like medical-grade silicone remained excluded from tariff relief. To mitigate the adverse effects of rising export costs on operations, the Group still maintained stable product supply and high-quality output, minimizing potential disruptions caused by tariffs. Simultaneously, the silicone division continued expanding its customer base, securing long-term partnerships through efficient production capacity and market-leading quality.

As of 30 June 2025, the main silicone business included new energy vehicles, photovoltaic modules, medical devices, consumer electronics and peripherals, and various household items. Customers coverage of the Silicone Business include Asia, Europe, and North America.

International Digital Marketing Business

For the six months ended 30 June 2025, the digital marketing business recorded a sales revenue of approximately HK$186,276,000 (2024: HK$335,308,000). As a leading Douyin (TikTok) operations service provider in mainland China, Jusheng Technology offers comprehensive services including: account setup and management, content strategy development, video production, audience engagement, data analytics, e-commerce operations, live-stream hosting and ad placement, brand advertising solutions. Leveraging extensive practical experience, the Digital Marketing Business adheres to its philosophy of "enabling better brand-consumer communication" while driving client growth through continuous service innovation and optimization. Despite the revenue in the first half of 2025 has declined, the profitability of the segment has improved significantly, contributing positively to the overall performance. The Group remains confident in the substantial growth potential of this high-demand e-commerce segment and will continue strong strategic investment in its development.

The Retail Business

For the six months ended 30 June 2025, the Retail Business generated a sales revenue of approximately HK$2,339,000 (2024: HK$60,419,000), representing a significant year-on-year decrease. This was primarily attributable to the reduction in physical store count following the 2024 business restructuring as well as higher upfront marketing expenses for TikTok platform campaigns.

The Retail Business currently operates supermarkets and proprietary brands. Our “EKAU” branded supermarket in central London targets residential areas, specializing in East Asian popular food and household goods. Its differentiated product mix successfully attracts both Asian culture enthusiasts and local clientele, steadily building brand loyalty.

Since the operation of the Retail Business mainly relies on the long-term consumption of fixed target customer groups, the Group’s retail strategy includes: focuses on strengthening brand reputation; maintaining high product quality while aligning products with market needs; building stable long-term partnerships with suppliers/distributors; exploring associates with UK domestic brands to optimize product portfolio. In addition, the Group aims to transcend traditional retail boundaries and develop innovative models adapted to local consumption patterns. Although upfront investments may increase costs, the Group maintains a positive long-term outlook for the segment.

Healthcare and Hospitality Business

For the six months ended 30 June 2025, the Healthcare and Hotel Business showed no material improvement continuing to be a business segment of low strategic importance. It recorded minimal sales revenue during the period. In light of sustained underperformance, the Group holds a conservative view of this division’s long-term prospects and will explore potential opportunities of realizing it business assets.

OUTLOOK

Due to unpredictable global trade policies, high inflation, and currency fluctuations, the Group will closely monitor industry trends and regulatory shifts within our core operations and supply chains. This vigilance allows us to anticipate challenges, adjust strategies proactively, and mitigate operational risks. While navigating headwinds, the management team maintains a positive outlook, recognizing that opportunities emerge alongside challenges.

The Silicone Business

The Silicone Business will remain to be our key revenue driver. From a long-term perspective, the Group will continue to implement its existing development strategy by simultaneously enhancing the traditional silicone manufacturing as well as developing and applying new environmentally friendly silicone materials. In the past decades, the Group has obtained enriched experience in the production of traditional silicone products and has won the trust of domestic and overseas clients. In the future, it will continue to supply high quality products and maintain stable cooperative relationship with upstream suppliers and downstream clients. Meanwhile, the Group will accelerate innovation in eco-friendly silicone materials and transform our existing production infrastructure to develop next-generation solutions that expand market reach. The new environmentally friendly silicone products designed, developed and produced by the Group cover the categories of new energy vehicles, photovoltaic modules, aerospace materials, medical devices, consumer electronics products and beauty products. The wider application of new environmentally friendly silicone products will create more revenue for the Group.

International Digital Marketing Business

As traditional offline consumption patterns have significantly shifted toward online e-commerce models, feed-based advertising and new e-commerce formats are continuously reshaping the market landscape as crucial trends in the advertising and e-commerce sectors. As a pioneer in the internet e-commerce traffic business in mainland China, Jusheng Technology has gained widespread recognition from brand clients through precise target audience positioning and enhanced advertising delivery efficiency, delivering substantial marketing results for customers. In the second half of 2025, Jusheng Technology will continue expanding its leading advantage in digital marketing business. With continuous technological innovation and optimization, we will leverage more cutting-edge technical methods to improve the precision and efficiency of advertising delivery. Ongoing advancements in big data analytics will enable our newsfeed advertisements to reach target audiences more accurately, further solidifying digital marketing's status as the most effective contemporary promotional method.

Jusheng Technology will strengthen team development by recruiting more industry experts to form a high-quality service team, providing superior customer service. Simultaneously, we will expand collaborations with renowned domestic and international brands to develop innovative marketing solutions that meet diverse client needs. As the global digital marketing market grows, we will explore new market opportunities and expand our international operational footprint. Facing an ever-changing market environment, Jusheng Technology will maintain flexible strategic adjustments and rapid response capabilities to ensure sustained leadership in digital marketing. We remain confident about the future and look forward to pioneering broader business prospects with all partners.

The Retail Business

In the first half of 2025, the retail business underwent strategic repositioning and development through asset restructuring. The future strategy of the business will focus on enhancing brand value and maintaining customer loyalty. The Group is progressively promoting its proprietary brands through TikTok, elevating brand awareness by increasing dual online and offline channels. After undergoing renovations and maintenance, the stores provide consumers with a more comfortable shopping experience. Simultaneously, the retail business consistently maintains long-term synergistic relationships with suppliers, distributors, and regional partners to ensure product quality and stable supply. Facing the potential development of the retail business, the Group will continue to dedicate efforts of expanding market share, enhancing brand influence and providing consumers with superior shopping experiences through innovative business models and services. Looking ahead, the retail business is expected to continuously contribute to the Group's overall performance.

Healthcare and Hospitality Business

Since the performance of the Healthcare and Hotel Business is relatively unsatisfactory, and the poor performance of such business may not be reversed in the short term, the Group will continue to seize opportunities and explore ways to realise the value of its investment in this segment.

Web 4.0 Strategic Transformation

In the second half of 2025, Ta Yang Group will steadily advance its Web 4.0-driven strategic transformation, leveraging AI-powered digital humans as a key technological foundation and establishing a new value circulation mechanism through the tokenization of real-world assets (RWA). The Group will focus on three core sectors, namely education, gaming, and healthcare, actively promoting data standardization, digital asset representation, and global value synergy.

Supported by its proprietary RWA operational infrastructure, Ta Yang Group will continue to enhance its intelligent asset management capabilities and explore efficient, compliant pathways for global asset circulation. Meanwhile, the Group will expand collaboration with industry partners to jointly foster an ecosystem integrating AI technology with RWA, committed to providing sustained support for the digital transformation of the real economy.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the Group recorded a revenue of approximately HK$290,663,000 (2024: approximately HK$514,096,000), representing a decrease of 43.5% compared to the same period in 2024.

For the six months ended 30 June 2025, the Silicone Business recorded a revenue of approximately HK$102,048,000 (2024: HK$118,369,000), accounting for 35.1% of the Group's total revenue (2024: 23.0%).

The digital marketing business generated approximately HK$186,276,000 (2024: HK$335,300,000) in revenue for the Group, accounting for approximately 64.1% (2024: 65.2%) of the Group's total revenue.

As of 30 June 2025, the Retail Business recorded a revenue of approximately HK$2,339,000 (2024: HK$60,419,000), accounting for approximately 0.8% (2024: 11.8%) of the Group's total revenue.

Finally, the performance of healthcare and hotels remained unsatisfactory, with minimal revenue recorded for the six months ended 30 June 2025. Due to the continued sluggish performance, it is expected that there will be no significant changes in the healthcare and hotel businesses in the short term.

Gross Profit

For the six months ended 30 June 2025, the Group achieved a gross profit of approximately HK$61.8 million (2024: approximately HK$37.1 million), an increase of approximately 66.6% compared to the same period in 2024. For the six months ended 30 June 2025, the gross profit margin has risen to approximately 21.3% (2024: approximately 7.3%).

Expenses

For the six months ended 30 June 2025, the selling and distribution expenses amounted to approximately HK$11.4 million (2024: approximately HK$12.8 million), a decrease of approximately 10.9% compared to the same period in 2024. For the six months ended 30 June 2025, administrative expenses amounted to approximately HK$44.8 million (2024: approximately HK$63.4 million), a decrease of approximately 29.3% compared to the same period in 2024. The changes in sales and distribution expenses, as well as administrative expenses, are mainly due to the Group's efforts to reduce costs, increase efficiency, and optimize personnel structure.

Loss attributable to owners of the Company

For the six months ended 30 June 2025, the Group recorded loss attributable to owners of the Company of approximately HK$12,100,000 (2024: approximately HK$18,800,000), representing a decrease of approximately 35.6% as compared with the corresponding period in 2024. For the six months ended 30 June 2025, loss per share was approximately HK8.45 cents (2024: approximately HK14.41 cent). The relevant changes in the loss attributable to the owners of our company are mainly due to (i) a significant decrease in the Group's retail business revenue compared to the same period last year, as well as an increase in material costs caused by global inflation, which has tightened the gross profit margin of this business; (ii) the profitability level of the digital marketing segment has improved significantly.

Liquidity and financial resources

For the six months ended 30 June 2025, the Group's major source of funds was cash generated from operating activities and the Group's working capital remained healthy.

	At 30 June 2025	At 30 June 2024
Cash and cash equivalents *(HK$'000)*	**7,304**	18,939
Current ratio	**0.78**	0.75
Quick ratio	**0.73**	0.69
Gearing ratio	**5.42**	4.42

BUSINESS RISK

Performance of the Silicone Business and Retail Business of the Group is primarily affected by fluctuations in market prices of raw materials/products and market demands of the final products. For example, both the Silicone Business and the Retail Business require stocking of raw materials or retail inventories and the Group does not enter into any material contracts to hedge against such price fluctuations. As such, any price fluctuation in raw materials or retail inventories will exert pressures on the business costs and then impact competitiveness of the final products or services of the Group. If the Group fails to adapt and respond successfully to the changing demands and supplies, it may adversely affect business performance and development prospects.

On the other hand, the Digital Marketing Business relies on internet marketing and traffic promotion as its main source of revenue, which is to some extent influenced by internet regulatory policies and relies on consistent and stable customer relationship. Therefore, the Group should ensure that the operation of the Digital Marketing Business is in compliance with the regulatory rules and is in line with the most popular marketing initiatives and strategies in order to provide customers with efficient services.

INDUSTRY RISK

All business segments of the Group are operating in highly competitive industries. For example, the Silicone Business faces competitions not only from other silicone rubber products, but also from products that are made of new materials; the Retail Business is competing with other local retail brands, as well as online shopping platforms; and the number of competitors joining the segment of the Digital Marketing Business is increasing. Competition may also intensify as the competitors expand their product categories, lower their selling prices, increase their qualities, or conduct promotions. If the Group does not compete successfully against existing or new competitors, its existing business scale may decline and the operation performance may shrink.

CREDIT RISK

As at 30 June 2025, the Group recorded total current assets of approximately HK$485,900,000 and total current liabilities of approximately HK$619,400,000. The bank balances and cash on hand of the Group remained tight when compared with its current liabilities. If the receivables are not fully recovered, the Group may not have sufficient resources to repay its short-term obligations as they fall due.

EVENT RISK

Event risk refers to the risk of a negative impact on the Company's operational performance and financial position as a result of an unexpected event like a natural disaster or an industrial accident. These kinds of events may interrupt the Group's operations, increase prices of raw material and outsourced services, and exacerbate other risks and uncertainty that the Group is facing. Due to the unpredictable nature of such event risks, there is no guarantee that the Group's responsive measures can be sufficient.

CAPITAL STRUCTURE

On 26 May 2025, the Company held an extraordinary general meeting and an ordinary resolution was passed to approve the consolidation of every ten issued and unissued ordinary shares of par value of HK$0.1 each in the share capital of the Company into one consolidated share of par value of HK$1.0 each in the share capital of the Company. The share consolidation became effective on 28 May 2025 and the total number of issued shares of the Company became 131,346,700 shares. For details of the share consolidation, please refer to the announcements of the Company dated 16 April 2025 and 26 May 2025, and the circular of the Company dated 30 April 2025.

On 9 June 2025, the Company has completed the subscription of shares under general mandate, a total of 12,000,000 shares were issued and the total number of issued shares of the Company became 143,346,700. For details of the subscription, please refer to the announcements of the Company dated 1 April 2025, 7 April 2025 and 9 June 2025.

As of 30 June 2025, the authorized share capital of the Company was HK$2,000,000,000, divided into 2,000,000,000 shares with a face value of HK$1.0 per share. As of 30 June 2025, the issued shares of the Company were 143,346,700 shares, all of which were fully paid up and held equal rights in all respects.

USE OF PROCEEDS FROM THE SUBSCRIPTION OF SHARES

On 9 June 2025, the Company has completed the subscription of shares (the "**Subscription**") under general mandate, a total of 12,000,000 shares were issued at the Subscription price of HK$1.20 per Subscription share. For details of the Subscription, please refer to the announcements of the Company dated 1 April 2025, 7 April 2025 and 9 June 2025.

The net proceeds (the **"Net Proceeds**") from the Subscription amounted to approximately HK$12 million were intended to use to support the Group's further business development, including, but not limited to, its digital marketing business as follows: (a) approximately HK$4 million will be used for purchasing digital marketing hardware and equipment; (b) approximately HK$2 million will be used for the development of digital marketing system software; (c) approximately HK$1 million will be used for the general working capital of the digital marketing business; (d) approximately HK$1 million will be used for the payment of legal and professional fee; and (e) approximately HK$4 million will be used for the general working capital of the Group.

During the six months ended 30 June 2025, the Net Proceeds had been fully utilised in accordance with the intended use.

PLEDGE OF ASSETS

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 30 June 2025 were approximately HK$8,600,000 (31 December 2024: approximately HK$5,300,000), mainly related to expanding production capacity of the Silicone Business. Such capital commitments will be financed by the net proceeds from operating activities. As at 30 June 2025, certain land and buildings, investment properties, right-of-use assets and trade receivables of the Group of approximately HK$79,800,000 (31 December 2024: approximately HK$107,400,000) were pledged to secure borrowings granted to the Group.

CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 30 June 2025 (31 December 2024: nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this announcement, the Group had no significant investments, material acquisition or disposal of any subsidiaries, associates or joint ventures for the six months ended 30 June 2025.

EVENTS AFTER THE REPORTING PERIOD

On 3 July 2025, the Company entered into the subscription agreements with five subscribers, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 28,660,000 subscription shares at the subscription price of HK$1.20 per subscription share under general mandate. The Company has completed part of the subscription of shares under general mandate on 19 August 2025, a total of 8,670,000 shares were issued. For details of the subscription, please refer to the announcements of the Company dated 3 July 2025, 28 July 2025 and 19 August 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any concrete plan for material investments or capital assets as at 30 June 2025.

CURRENCY MANAGEMENT AND TREASURY POLICY

For the six months ended 30 June 2025, the Group's cash receipts were denominated in US dollars, Hong Kong dollars, Pound Sterling ("**GBP**") and Renminbi, while the labour costs, manufacturing overheads, selling and administrative expenses of the Group were mostly negotiated, measured and settled in Renminbi, Hong Kong dollars and GBP. As at 30 June 2025, the majority of the cash and cash equivalents were held in US dollars, Hong Kong dollars, GBP and Renminbi.

The revenue of the Group was mainly generated by the Silicone Business in the PRC, the Digital Marketing Business in the PRC and the Retail Business in the UK. Therefore, fluctuations of Renminbi and GBP will affect the Group's profitability. For the six months ended 30 June 2025, the Group did not enter into any financial instruments for hedging purpose. The Group will closely monitor the currency movements and take appropriate measures to deal with such exchange-rate exposure.

HUMAN RESOURCES AND REMUNERATION POLICIES

As the Group is committed to improving production capacity, developing high-quality products, and expanding industry chain, experienced workers, engineers and professionals are crucial to the Group. The Group offers on-the-job training and encourages staff to attend continuous professional training in order to enhance their skills and knowledge. The Group also offers competitive remuneration packages, including quality staff quarters, training, medical care, insurance coverage and retirement benefits to all employees. As at 30 June 2025, the Group employed 694 permanent and temporary employees (31 December 2024: 715).

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to enhancing Shareholder value and safeguarding interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

To the best knowledge of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025 except of the followings:

Under Code Provision C.1.6 of the CG Code, independent non-executive Directors and other non-executive Directors, as equal Board members, should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. Mr. Han Lei, the non-executive Director, did not attend the annual general meeting of the Company held on 27 June 2025 due to his other work commitments.

Following the resignation of Ms. Wang Lina as an independent non-executive Director and a member of the audit committee of the Company on 17 April 2025, the Board comprises of three executive Directors, three non-executive Directors and two independent non-executive Directors and the audit committee comprises of two members. As a result of the foregoing, the Company is not in compliance with the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the audit committee of the Company must comprise a minimum of three members. The Company is in the process of identifying suitable candidate(s) to fill the vacancies of independent non-executive Director, the member of the audit committee of the Company in order to meet the aforementioned Listing Rules requirements, and will use its best endeavors to ensure a suitable candidate is appointed as soon as practicable.

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 C3 to the Listing Rules. Specific enquiries had been made to all Directors and each Director had confirmed that she/he had complied with the Model Code for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Currently, the audit committee of the Company (the "**Audit Committee**") comprised Mr. Chan Siu Tat and Dr. Feng Xin, all being independent non-executive Directors. Mr. Chan Siu Tat is the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting. The Audit Committee had reviewed with the management the accounting principles and practices adopted by the Company and discussed financial reporting matters. The interim results of the Group for the six months ended 30 June 2025 have not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (http://www.tayanggroup.com). The interim report will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management and staff for their hard work and dedication, as well as our shareholders, business partners and associates, bankers, auditors and other stakeholders for their continuous support to the Group.

Shareholders and potential investors of the Company are advised to exercise due caution when dealing in the securities of the Company. When in doubt, Shareholders and potential investors of the Company are advised to seek advice from professional or financial advisers.

On behalf of the Board
Ta Yang Group Holdings Limited
Shi Qi
Chairlady

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jiuhua and Mr. Gao Feng; three non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang and Mr. Han Lei; and two independent non-executive Directors, namely Mr. Chan Siu Tat and Dr. Feng Xin.