



2025

INTERIM REPORT

KELFRED

HOLDINGS LIMITED

恒發光學控股有限公司

Incorporated in the Cayman Islands with limited liability

Stock code: 1134

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Interim Financial Information

CORPORATE INFORMATION

Executive Directors

Mr. Kwok Kwan Fai
Mr. Kwok Kwan Yu

Non-Executive Directors

Mr. Kwok Mau Kwan
Ms. Chan Yin Wah

Independent Non-Executive Directors

Mr. Chu Kin Ming
Mr. Hong Sze Lung
Mr. Leung Ka Tin (*appointed on 1 January 2025*)
Mr. Chan Hon Wah (*resigned on 1 January 2025*)

Company Secretary

Mr. Choi Chun Wai
(*appointed on 1 January 2025*)
Ms. Leong Kai Weng Subrina
(*resigned on 1 January 2025*)

Authorised Representatives

Mr. Kwok Kwan Fai
Mr. Choi Chun Wai
(*appointed on 1 January 2025*)
Ms. Leong Kai Weng Subrina
(*resigned on 1 January 2025*)

Audit Committee

Mr. Chu Kin Ming (*Chairman*)
Mr. Hong Sze Lung
Mr. Leung Ka Tin (*appointed on 1 January 2025*)
Mr. Chan Hon Wah (*resigned on 1 January 2025*)

Remuneration Committee

Mr. Leung Ka Tin (*Chairman*)
(*appointed on 1 January 2025*)
Mr. Chu Kin Ming
Mr. Hong Sze Lung
Mr. Kwok Kwan Fai
Mr. Chan Hon Wah
(*former Chairman resigned on 1 January 2025*)

Nomination Committee

Mr. Kwok Kwan Fai (*Chairman*)
Mr. Chu Kin Ming
Mr. Hong Sze Lung
Mr. Leung Ka Tin (*appointed on 1 January 2025*)
Mr. Chan Hon Wah (*resigned on 1 January 2025*)

Risk Management Committee

Mr. Hong Sze Lung (*Chairman*)
Mr. Chu Kin Ming
Mr. Leung Ka Tin (*appointed on 1 January 2025*)
Mr. Chan Hon Wah (*resigned on 1 January 2025*)

Registered Office

Windward 3, Regatta Office Park,
P.O. Box 1350, Grand Cayman KY1-1108,
Cayman Islands

Headquarters and Principal Place of Business in Hong Kong

Workshops 1605–1606, 16/F., Block B
New Trade Plaza
6 On Ping Street
Sha Tin, New Territories
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park,
P.O. Box 1350, Grand Cayman KY1-1108,
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Legal Advisers

As to Hong Kong law:
Jeffrey Mak Law Firm

Principal Banks

DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited

Company Website

www.kelfred.com.hk

Stock Code

1134

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (“**Director(s)**”) of Kelfred Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the six months ended 30 June 2025 (the “**current period**”), together with the comparative figures for the corresponding period in 2024 (the “**previous period**”).

BUSINESS REVIEW AND OUTLOOK

During the six months ended 30 June 2025, the Group continued to be engaged in the manufacture and sale of eyewear products. We have two major production bases in Shenzhen and Jiangxi, the People’s Republic of China (the “**PRC**”). The Group produces and sells a wide range of spectacle frames and sunglasses mainly through original design manufacturing (“**ODM**”) and original equipment manufacturing (“**OEM**”) business models. It offers integrated and customised services which include product design and development, raw materials procurement, production, quality control, packaging and delivery. In addition to the traditional OEM and ODM business models, the Group also offers its original brand manufacturing (“**OBM**”) products under the brand “Miga”. Leveraging on over 30 years of experience in the eyewear industry, the Group prides itself on its broad network of renowned and trusted customers worldwide (who are primarily international eyewear retailers, trading companies and licensed brand owners). It has produced quality eyewear products under its customers’ designated brand names and sold the same to over 35 countries in the past few years, among which Europe accounted for the largest market of the Group.

For the six months ended 30 June 2025, the Group recorded a revenue of approximately HK\$242.5 million, representing an increase of approximately 22.8% as compared to the six months ended 30 June 2024, generated from sales of eyewear products.

The global eyewear market is driven by increasing demand for fashion. However, the economic landscape remains uncertain as when it moves into the second half of 2025 and looking ahead to 2026, mainly due to escalating conflicts and geopolitical tensions.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group remains vigilant in monitoring market trends, consumer behavior and regulatory developments. The Group will adapt its business strategies accordingly to seize emerging opportunities and mitigate potential risks. The Group recognizes the importance of sustainability and will continue to integrate this principle into the business practices. Besides, the Group will continue to implement cost saving measures, streamline our operations and optimize our supply chain to improve our financial performance.

While the eyewear business will continue to remain as the Group's core business, we are continuously exploring potential opportunities to achieve diversification in the business and income streams of the Group and mitigate the impact of any potential risks and uncertainties.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the Group's revenue increased to approximately HK\$242.5 million by approximately HK\$45.1 million or 22.8% as compared to approximately HK\$197.4 million for the six months ended 30 June 2024. The increase was primarily attributable to overall increase in the exported sales volume of spectacle frame and sunglasses driven by higher sales orders.

Cost of sales

The cost of sales of the Group increased by approximately HK\$31.7 million or 17.7%, from approximately HK\$179.6 million for the six months ended 30 June 2024 to approximately HK\$211.3 million for the six months ended 30 June 2025. Such increase was mainly attributable to the increase in sales volume, offset by the implementation of cost saving measures.

Gross profit and gross profit margin

Gross profit increased to approximately HK\$31.2 million for the six months ended 30 June 2025, by approximately HK\$13.4 million, or 75.3%, from approximately HK\$17.8 million for the six months ended 30 June 2024. The overall gross profit margin improved from approximately 9.0% for the six months ended 30 June 2024 to 12.9% for the six months ended 30 June 2025. The significant increase in gross profit and gross profit margin was mainly attributable to increase in sales order and the implementation of cost saving measures.

MANAGEMENT DISCUSSION AND ANALYSIS

Other incomes, gains and losses

Other incomes, gains and losses decreased by approximately HK\$4.8 million from approximately HK\$6.5 million for the six months ended 30 June 2024 to approximately HK\$1.7 million for the six months ended 30 June 2025. Such decrease was primarily due to the exchange losses resulting from the appreciation of Renminbi (“RMB”) for the current period, in contrast with the exchange gains resulting from the depreciation of RMB for the previous period.

Selling and distribution expenses

Selling and distribution expenses increased from approximately HK\$5.4 million for the six months ended 30 June 2024 to approximately HK\$7.2 million for the six months ended 30 June 2025, by approximately HK\$1.8 million or 33.3%. Such increase was primarily due to the increase in advertising and promotion expenses.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK\$2.9 million or 9.5%, from approximately HK\$30.5 million for the six months ended 30 June 2024 to approximately HK\$27.6 million for the six months ended 30 June 2025, primarily due to the decrease in staff costs.

Finance costs

The Group’s finance costs increased by approximately HK\$0.6 million or 66.7%, to approximately HK\$1.5 million for the six months ended 30 June 2025 as compared to approximately HK\$0.9 million for the six months ended 30 June 2024. The increase was primarily due to more utilisation of factoring of trade receivables of the Group as a whole as compared to the previous period.

Income tax (expense)/credit

The Group recorded income tax expense of approximately HK\$1.3 million for the six months ended 30 June 2025, compared to income tax credit of approximately HK\$0.2 million for the six months ended 30 June 2024, primarily due to the turnaround from temporary loss for the previous period to temporary assessable profit for the current period.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the period

As a result of the foregoing, the Group recorded a reduction in the net loss by approximately HK\$7.6 million or 61.8%, from approximately HK\$12.3 million for the previous period, to approximately HK\$4.7 million for the current period, primarily attributable to the improvement in gross profit generated from sale of eyewear products due to increase in sales order and the implementation of cost saving measures during the current period, offset by the exchange losses resulting from the appreciation of RMB for the current period, in contrast with the exchange gains resulting from the depreciation of RMB for the previous period.

FINANCIAL POSITION

As at 30 June 2025, the Group's total assets amounted to approximately HK\$245.6 million (31 December 2024: HK\$282.9 million) with net assets amounting to approximately HK\$156.4 million (31 December 2024: HK\$156.4 million). As at 30 June 2025, gearing ratio (total debts divided by the total equity) of the Group was approximately 5.8%, representing a decrease from that of approximately 8.0% as at 31 December 2024. Net debt to equity ratio (net debt, being its total debts net of bank and cash balances, divided by total equity) of the Group was not applicable due to a net cash position of the Group as at 30 June 2025 and 31 December 2024. As at 30 June 2025, current ratio of the Group was approximately 2.5 times, representing an increase of approximately 25.0% as compared to that of approximately 2.0 times as at the end of 2024. As at 30 June 2025, quick ratio of the Group was approximately 1.6 times, representing an increase of approximately 23.1% as compared to that of approximately 1.3 times as at the end of 2024.

During the six months ended 30 June 2025, the net assets and all of the above financial ratios remained stable or enhanced, mainly due to the improvement of the Group's operating income.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a balanced approach to cash and financial management to ensure proper risk control, the lowering of costs of funds and to maintain an optimal level of liquidity that can meet its working capital needs and sustain the business at a healthy level, and implementing various growth strategies. The Group finances its operations and growth primarily through cash generated from operations, bank loans and finance lease arrangements.

As at 30 June 2025, the Group had bank and cash balances totalling approximately HK\$29.6 million, an increase by approximately HK\$1.8 million as compared to approximately HK\$27.8 million as at 31 December 2024, mainly attributable to the net cash generated from operating activities, offset by the purchase of property, plant and equipment and lease payments during the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern so that the Group can constantly provide returns for shareholders of the Company (the "Shareholders") and benefits for other stakeholders by securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustment by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

INDEBTEDNESS

As at 30 June 2025, the Group's indebtedness mainly represented lease liabilities of approximately HK\$9.1 million, which are denominated in HKD and RMB. Interest rates for all leases are fixed on the contract dates and thus expose the Group to fair value interest rate risk.

The maturity of lease liabilities as at 30 June 2025 is as follows:

	Lease liabilities <i>HK\$'000</i>
Within one year	3,318
More than one year, but not exceeding two years	3,189
More than two years, but not more than five years	2,574
	<hr/>
	9,081

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operation, financial conditions, operational results or growth prospects are affected by a number of risks and uncertainties as outlined below. These factors are not exhaustive and there may be other principal risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could become material in the future.

Foreign currency risks

The Group has a certain exposure to foreign currency risk as a number of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective Group entities such as HKD, United States dollar ("USD"), Euro ("EUR") and RMB. The Group does not currently have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial risk

Financial risk factors include foreign currency risk, credit risk, liquidity risk and interest rate risk. Details of the aforesaid financial risk factors and the respective risk management measures are elaborated in note 5 to the consolidated financial statements “Financial risk management” of the 2024 annual report.

Operational risk

The stable relationship with major customers enables the business to achieve stable revenue and profitability level. If the major customers significantly decrease its purchase quantity from the Group and we cannot identify new customers, the business and financial position may be adversely affected. Also, we operate the manufacturing process at the two production bases in Shenzhen and Jiangxi, the PRC, respectively. Any unexpected disruption to the production bases due to power or water supply failure, machinery breakdown or other factors may cause delay or temporary suspension of the production and may make us unable to deliver the products to customers on time, leading to potential loss of customer confidence and reputation.

Market risk

As we rely on marketing and sales of products overseas, we are exposed to market risks including (i) global economic downturn in overseas markets which affect general consumer confidence; (ii) exchange rate fluctuation in foreign currencies; (iii) trade barriers; (iv) increased costs associated with understanding the overseas market trend and maintaining overseas marketing and sales activities; and (v) exposure to local economic, political, social and labour conditions in the overseas markets.

PLEDGE OF ASSETS

As at 30 June 2025 and 31 December 2024, the Group did not have any pledge of assets.

CAPITAL COMMITMENT

As at 30 June 2025, the Group had capital commitments of approximately HK\$1.1 million relating to property, plant and equipment which are contracted but not provided for.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE AND REMUNERATION POLICY

The Group values its employees and recognises the importance of a good relationship with them. The Group recruits its employees based on their work experience, education background and qualifications. To maintain and ensure the quality of its employees, the Group provides its personnel with formal and on-the-job training to enhance their technical skills as well as knowledge of the industry quality standards and work place safety standards. As at 30 June 2025, the Group had a total of 830 employees of which 812 were in the PRC and 18 were in Hong Kong. The remuneration to employees includes salaries and allowances. Share options may also be granted to eligible employees as incentivization for the long-term growth and development of the Group. Employees are remunerated according to their qualifications, experiences, job nature, performance and with reference to market conditions.

The Group's total employee benefit expenses (including Directors' emoluments) for the six months ended 30 June 2025 and 2024 were approximately HK\$53.5 million and HK\$55.4 million, respectively.

SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the six months ended 30 June 2025.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other plan for material investments or acquisition of material capital assets as at 30 June 2025.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that the Company has complied with all the applicable code provisions of the CG Code during the six months ended 30 June 2025.

COMPLIANCE WITH THE 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**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(a) Long position in Shares

Name of Director	Capacity/nature of interest	Number of Shares (Note 4)	Approximate percentage of shareholding interests of the Company (Note 5)
Mr. Kwok Kwan Fai ("Mr. Joe Kwok")	Interest in a controlled corporation (Note 1)	270,952,000 (L)	54.19%
Mr. Kwok Kwan Yu ("Mr. Ken Kwok")	Interest in a controlled corporation (Note 1)	270,952,000 (L)	54.19%
Ms. Chan Yin Wah ("Mrs. Kwok")	Interest in a controlled corporation; interest held jointly with another person (Note 2)	270,952,000 (L)	54.19%
Mr. Kwok Mau Kwan ("Mr. Kwok")	Interest of spouse (Note 3)	270,952,000 (L)	54.19%
Mr. Leung Ka Tin ("Mr. Leung")	Beneficial owner	5,000,000 (L)	1%

OTHER INFORMATION

Notes:

1. Conquer Holding Limited ("**Conquer**"), being the registered and beneficial owner of these shares, is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok. As each of Mr. Joe Kwok and Mr. Ken Kwok holds 49% shareholding interest in Conquer, each of Mr. Joe Kwok and Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO. Each of Mr. Joe Kwok and Mr. Ken Kwok is a director of Conquer.
2. On 3 January 2019, Mr. Kwok, Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok entered into the confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of the Group since their respective dates of incorporation and shall continue to do so after the date of the confirmatory deed. Details of the confirmatory deed are set out in the paragraph headed "History, Reorganisation and Group Structure — Parties acting in concert" in the prospectus dated 29 June 2019. Accordingly, Mrs. Kwok, Mr. Joe Kwok, Mr. Ken Kwok and Conquer are considered as a group of Controlling Shareholders and Mrs. Kwok is deemed to be interested in the Shares held by Conquer under the SFO.
3. Mr. Kwok is the spouse of Mrs. Kwok and is deemed to be interested in all the Shares interested by Mrs. Kwok for the purposes of the SFO.
4. The Letter "L" denotes the entity/person's long interest in the Shares.
5. As at 30 June 2025, the total number of issued shares of the Company was 500,000,000.

(b) *Long position in Conquer, an associated corporation of the Company*

Name of Director	Capacity/nature of interest	Percentage of the issued share capital of Conquer
Mr. Joe Kwok	Beneficial owner	49%
Mr. Ken Kwok	Beneficial owner	49%
Mrs. Kwok	Beneficial owner	2%

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as the Directors are aware, the persons (other than the Directors and chief executive of the Company) who will have or be deemed or taken to have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company's issued share capital are as follows:

Name of Substantial Shareholders	Capacity/Nature of Interest	Number of Shares (Note 1)	Approximate percentage of shareholding interests of the Company (Note 5)
Conquer (Note 2)	Beneficial owner	270,952,000 (L)	54.19%
Ms. Lee Man Yee Joanna ("Ms. Lee") (Notes 2 and 3)	Interest of spouse	270,952,000 (L)	54.19%
Ms. Siu Fong Ting Tammy ("Ms. Siu") (Notes 2 and 4)	Interest of spouse	270,952,000 (L)	54.19%
Mr. Kwok Hon Yim	Beneficial owner	25,208,000 (L)	5.04%

Notes:

1. The Letter "L" denotes the entity/person's long interest in the Shares.
2. Conquer, being the registered and beneficial owner of these shares, is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok. As each of Mr. Joe Kwok and Mr. Ken Kwok hold 49% shareholding interest in Conquer, each of Mr. Joe Kwok and Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO. Each of Mr. Joe Kwok and Mr. Ken Kwok is a director of Conquer.
3. Ms. Lee is the spouse of Mr. Joe Kwok and is deemed to be interested in all the Shares interested by Mr. Joe Kwok (via his 49% shareholding interest in Conquer) for the purposes of the SFO.
4. Ms. Siu is the spouse of Mr. Ken Kwok and is deemed to be interested in all the Shares interested by Mr. Ken Kwok (via his 49% shareholding interest in Conquer) for the purposes of the SFO.
5. As at 30 June 2025, the total number of issued shares of the Company was 500,000,000.

OTHER INFORMATION

Save as disclosed herein, as at 30 June 2025, the Directors are not aware of any person (other than the Directors and the chief executive of the Company) who has, as at the date of this report (without taking into account any options which may be granted under the share option scheme), an interest or short position in the Shares or underlying Shares, which would be required 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, directly or indirectly, be interested in 5% of the issued voting shares of any other member of the Group.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 22 June 2019 and became effective on 16 July 2019 (the “**Scheme**”). Under the Scheme, the eligible participants of the Scheme, including Directors, full-time employees of and advisers and consultants to the Company or its subsidiaries may be granted options which entitle them to subscribe for the Shares, when aggregated with options granted under any other scheme, representing initially not more than 10% of the Shares in issue on the Listing Date (the “**Scheme Mandate**”).

No share option was granted, vested, exercised, expired, cancelled or lapsed since the adoption of the Scheme and during the six months ended 30 June 2025, and there is no outstanding share option under the Scheme as at 1 January 2025 and 30 June 2025. As at 1 January 2025 and 30 June 2025, 50,000,000 share options were available for grant under the Scheme Mandate, representing 10% of the issued Shares of the Company as at 30 June 2025.

Other than the Scheme, the Company had no other share scheme (as defined under Chapter 17 of the Listing Rules) in place during the six months ended 30 June 2025.

PURCHASES, SALE AND 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, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2025.

COMPETING INTERESTS

As at 30 June 2025, Mr. Ken Kwok, an executive Director, is the controlling shareholder of a customer of the Group (the “**Customer**”). The Customer is principally engaged in assembling parts of optical frames and sunglasses with suppliers from Italy and sale of processed end-products to its own customers. While the Group’s suppliers are mainly from the PRC and has a largely differentiable customer base with the Customer, the Company considers that the operations of the Customer and the Group are complementary and there is no material impact on the operations or financial conditions of the Group. For the six months ended 30 June 2025, the transaction amount between the Group and the Customer was approximately HK\$2,215,000.

Save as disclosed above, the Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the Listing Rules) of the Company nor any of their respective associates (as defined in the Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chu Kin Ming, Mr. Hong Sze Lung and Mr. Leung Ka Tin. Mr. Chu Kin Ming is the chairman of the Audit Committee.

The interim results for the six months ended 30 June 2025 is unaudited, but the Audit Committee has reviewed the Company’s unaudited condensed consolidated interim results for the six months ended 30 June 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

CHANGES IN INFORMATION OF DIRECTORS

Name of Director	Details of changes
Mr. Hong Sze Lung	Appointed as an independent non-executive director of Ocean Star Technology Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8297) with effect from 25 August 2025.

Saved as disclosed above, there was no change to any information in relation to any Director required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the six months ended 30 June 2025 and up to the date of this report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4	242,524	197,412
Cost of sales		(211,313)	(179,624)
Gross profit		31,211	17,788
Interest revenue		6	9
Other incomes, gains and losses	5	1,720	6,489
Selling and distribution expenses		(7,210)	(5,435)
Administrative and other operating expenses		(27,598)	(30,481)
Loss from operations		(1,871)	(11,630)
Finance costs	6	(1,549)	(851)
Loss before tax		(3,420)	(12,481)
Income tax (expense)/credit	7	(1,297)	231
Loss for the period attributable to owners the Company	8	(4,717)	(12,250)
Other comprehensive income/(loss) after tax:			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		4,665	(3,930)
Other comprehensive income/(loss) for the period, net of tax		4,665	(3,930)
Total comprehensive loss for the period attributable to owners of the Company		(52)	(16,180)
Loss per share	10		
— Basic and diluted (HK cents)		(0.94)	(2.45)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	28,391	30,629
Right-of-use assets	12	8,358	11,801
Deposits paid for property, plant and equipment		795	721
Deferred tax assets		620	599
		38,164	43,750
Current assets			
Inventories	13	70,154	85,807
Trade receivables	14	99,844	116,775
Prepayments, deposits and other receivables		7,811	8,147
Current tax assets		—	636
Bank and cash balances		29,586	27,813
		207,395	239,178
Current liabilities			
Trade payables	15	64,325	91,173
Other payables and accruals		14,620	21,546
Contract liabilities		932	1,214
Lease liabilities		3,318	3,376
Current tax liabilities		219	—
		83,414	117,309
Net current assets		123,981	121,869
Total assets less current liabilities		162,145	165,619
Non-current liabilities			
Lease liabilities		5,763	9,185
NET ASSETS		156,382	156,434

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Capital and reserves			
Share capital	16	5,000	5,000
Reserves		151,382	151,434
TOTAL EQUITY		156,382	156,434

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	(Unaudited) Attributable to owners of the Company						
	Share capital HK\$'000	Statutory surplus reserve HK\$'000	Foreign currency translation reserve HK\$'000	Other reserve HK\$'000	Share premium HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total equity HK\$'000
At 1 January 2024	5,000	4,819	(7,520)	70,538	88,511	21,843	183,191
Total comprehensive loss for the period	—	—	(3,930)	—	—	(12,250)	(16,180)
At 30 June 2024	5,000	4,819	(11,450)	70,538	88,511	9,593	167,011
At 1 January 2025	5,000	5,184	(12,645)	70,538	88,511	(154)	156,434
Total comprehensive loss for the period	—	—	4,665	—	—	(4,717)	(52)
At 30 June 2025	5,000	5,184	(7,980)	70,538	88,511	(4,871)	156,382

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	5,939	1,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits paid	(242)	(274)
Interest received	6	9
Purchases of property, plant and equipment	(870)	(1,121)
Proceeds from disposals of property, plant and equipment	2	360
NET CASH USED IN INVESTING ACTIVITIES	(1,104)	(1,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,549)	(851)
Repayment of lease liabilities	(1,747)	(1,466)
Bank borrowings raised	25,801	10,207
Repayment of bank borrowings	(25,801)	(10,207)
NET CASH USED IN FINANCING ACTIVITIES	(3,296)	(2,317)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,539	(1,622)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	234	(70)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27,813	20,334
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29,586	18,642
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	29,586	18,642

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 1605–1606, 16/F., Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in manufacturing and sales in eyewear products.

In the opinion of the directors of the Company, as at the date of this report, Conquer Holding Limited, a company incorporated in the British Virgin Islands ("BVI"), is the immediate and ultimate parent, and Mr. Joe Kwok, Mr. Ken Kwok and Mrs. Kwok are the ultimate controlling parties of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated interim financial information have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3. The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2024. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The unaudited condensed consolidated interim financial information have been prepared under the historical cost convention. The unaudited condensed consolidated interim financial information are unaudited but has been reviewed by the Company's audit committee.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

2. BASIS OF PREPARATION (Cont'd)

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise indicated.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from sales of eyewear products. An analysis of the Group's revenue is as follow:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Sales of eyewear products	242,524	197,412

Segment information

The executive directors of the Company, being the chief operating decision makers, regularly review revenue analysis by customers and by locations. The executive directors of the Company considered the operating activities of designing, manufacturing and sales of eyewear products as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared and is regularly reviewed by the executive directors of the Company. The executive directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

Revenue from external customers, based on location of delivery to customers is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Italy	84,498	87,770
United Kingdom	70,907	52,193
Hong Kong	65,690	36,770
United States	11,241	6,930
Japan	2,915	2,828
Australia	560	2,966
France	244	3,422
Others	6,469	4,533
	242,524	197,412

An analysis of the Group's non-current assets (excluding deposits paid and deferred tax assets) by their physical geographical location is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Hong Kong	1,717	2,580
The People's Republic of China ("PRC")	35,032	39,850
	36,749	42,430

Timing of revenue recognition

All timing of revenue recognition is recognised at a point in time during the periods ended 30 June 2024 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Customer A	74,353	44,044
Customer B	34,232	31,849
Customer C	33,835	22,887

Sales of eyewear products

The Group manufactures and sells eyewear products to its customers. Revenue from the sales of eyewear products is recognised at a point in time when control of the goods has transferred to customer upon delivery of eyewear products.

5. OTHER INCOMES, GAINS AND LOSSES

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Income from sales of scrap and rework services	157	114
Material costs charged to customers	693	395
Government grants*	972	447
Product services fee income	820	1,163
Product design fee income	1,694	122
Sample and mould income	208	160
Net foreign exchange (losses)/gains	(2,799)	3,258
Net (loss)/gain on disposals of property, plant and equipment	(44)	274
Sundry income	19	556
	1,720	6,489

* Government grants mainly relate to various subsidies supported from the government in Hong Kong and the PRC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Interest on factoring of trade receivables	1,089	511
Interest on bank borrowings	281	69
Interest on lease liabilities	179	271
	1,549	851

7. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax	(944)	(119)
Current tax – PRC Enterprise Income Tax ("PRC EIT")	(353)	350
	(1,297)	231

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. INCOME TAX (EXPENSE)/CREDIT (Cont'd)

Under the two-tiered Profits Tax rates regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rates regime will continue to be taxed at a rate of 16.5%.

Pursuant to the PRC EIT Law and the respective regulations, the subsidiaries which operate in the Mainland China are subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's PRC subsidiaries.

Yingtian Euro-Asia Enterprise Limited ("Yingtian Euro-Asia") was qualified as a Small and Low-profit Enterprise for the periods ended 30 June 2024 and 2025 and was subject to income tax at a preferential tax rate of 20%. Besides, pursuant to Caishui [2023] No. 6, Yingtian Euro-Asia was also entitled to a further deduction of 25% of the tax income for the periods ended 30 June 2024 and 2025.

Pursuant to Caishui [2023] No. 7, Jiangxi Huaqing Glasses Co., Limited ("Jiangxi Huaqing")'s research and development activities are entitled to claim 200% (2024: 200%) of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the periods ended 30 June 2024 and 2025.

Huaqing Glasses (Shenzhen) Company Limited ("Shenzhen Huaqing") was qualified as a High and New Technology Enterprise and was subject to income tax at a preferential tax rate of 15% for the periods ended 30 June 2024 and 2025. Besides, Shenzhen Huaqing's research and development activities are entitled to claim 200% (2024: 200%) of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the periods ended 30 June 2024 and 2025.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

8. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Auditor's remuneration		
Audit services	395	438
Non-audit services	—	—
	395	438
Cost of inventories sold*	211,313	179,624
Depreciation of property, plant and equipment	4,197	4,285
Depreciation of right-of-use assets	1,655	1,810
Net foreign exchange losses/(gains)	2,799	(3,258)
Net loss/(gain) on disposals of property, plant and equipment	44	(274)
Staff costs including directors' emoluments		
Salaries and allowances	46,786	48,446
Retirement benefit schemes contributions	5,480	5,494
Other employee benefit expenses	1,268	1,503
Total staff costs	53,534	55,443
Short-term lease charges	324	324

* Cost of inventories sold includes staff costs and depreciation of approximately HK\$35,713,000 (2024: HK\$36,396,000) which are included in the amounts disclosed separately above.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

9. DIVIDENDS

No dividend was proposed for the periods ended 30 June 2025 and 2024.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss for the purpose of calculating basic and diluted loss per share	(4,717)	(12,250)

Number of shares

	Six months ended 30 June	
	2025 '000 (unaudited)	2024 '000 (unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	500,000	500,000

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired plant and equipment at a total cost of HK\$1,064,000 (2024: HK\$2,008,000).

Subsequent to the reporting period, on 9 July 2025 and 28 July 2025, the Group obtained new bank loans of RMB4,000,000 and RMB10,950,000 respectively, which are secured by certain of the Group's buildings situated in the PRC with an aggregate carrying value of HK\$8,957,000 as at 30 June 2025 (note 19).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

12. RIGHT-OF-USE ASSETS

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Leasehold land	1,681	1,650
Leased properties	6,677	10,151
	8,358	11,801
Lease commitments of short-term leases	305	126
Lease commitments of leases not yet commenced (other than short-term leases)	—	503
	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Adjustment to right-of-use assets	(2,265)	—

Subsequent to the reporting period, on 9 July 2025 and 28 July 2025, the Group obtained new bank loans of RMB4,000,000 and RMB10,950,000 respectively, which are secured by certain of the Group's leasehold land situated in the PRC with an aggregate carrying value of HK\$1,681,000 as at 30 June 2025 (note 19).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

13. INVENTORIES

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Raw materials	12,161	10,789
Work in process	29,379	36,174
Finished goods	12,890	25,392
Goods-in-transit	15,724	13,452
	70,154	85,807

14. TRADE RECEIVABLES

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Trade receivables	100,451	117,374
Less: impairment losses	(607)	(599)
	99,844	116,775

The Group's credit terms generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance or cash on delivery is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The Group has entered into receivable purchase arrangements with banks for the factoring of trade receivables with certain designated customers. As at 30 June 2025 and 31 December 2024, trade receivables factored to the banks aggregated to HK\$67,310,000 and HK\$39,377,000 respectively, and all of which were derecognised from the consolidated statement of financial position because, in the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables to the banks.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

14. TRADE RECEIVABLES (Cont'd)

The aging analysis of trade receivables, based on the date of relevant invoice (delivery date), and net of impairment loss, is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
0–60 days	69,679	77,263
61–120 days	21,103	32,268
121–180 days	1,912	1,739
Over 180 days	7,150	5,505
	99,844	116,775

15. TRADE PAYABLES

The credit period granted to the Group by suppliers ranges from 30 to 90 days. The following is an ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
0–60 days	52,716	63,283
61–90 days	8,077	15,579
91–180 days	2,664	11,480
Over 180 days	868	831
Total	64,325	91,173

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Authorised:</i> Ordinary shares of HK\$0.01 each		
At 1 January 2024, 31 December 2024 (audited), 1 January 2025 and 30 June 2025 (unaudited)	2,000,000,000	20,000
<i>Issued and fully paid:</i> Ordinary shares of HK\$0.01 each		
At 1 January 2024, 31 December 2024 (audited), 1 January 2025 and 30 June 2025 (unaudited)	500,000,000	5,000

17. CAPITAL COMMITMENTS

Capital commitments contracted for at 30 June 2025 and 31 December 2024 but not yet incurred are as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Property, plant and equipment	1,115	1,033

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

18. RELATED PARTY TRANSACTIONS

- (a) In addition to the related party information disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following material related party transactions.

		Six months ended 30 June	
	Notes	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Office and warehouse's rental paid for short-term lease to Ms. Lee Man Yee, Joanna ("Ms. Lee")	(i)	324	324
Employee benefit expenses to Ms. Lee	(i)	—	434
Sales of goods to DEM S.r.l	(ii)	2,215	2,453

Notes:

- (i) Ms. Lee is the spouse of Mr. Kwok Kwan Fai.
- (ii) Mr. Kwok Kwan Yu has a 51% equity interest in DEM S.r.l.
- (b) The remuneration of directors of the Company, who represent the key management personnel during the period, were as follows:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Fees	270	270
Salaries and allowances	2,101	3,718
Benefits in kind	53	68
Retirement benefit scheme contributions	18	18
	2,442	4,074

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

19. EVENT AFTER THE REPORTING PERIOD

On 9 July 2025 and 28 July 2025, the Group obtained new bank loans of RMB4,000,000 and RMB10,950,000 which are repayable within one year respectively. These borrowings are secured by certain leasehold land and buildings of the Group with a carrying value of HK\$10,638,000 as at 30 June 2025 (notes 11 and 12) and guaranteed by the corporate guarantee of a PRC subsidiary. The bank loans were used to provide the working capital of the Group.

20. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the Board on 26 August 2025.