通達宏泰
TONGDA HONG TAI

2025 Interim Report

TONGDA HONG TAI HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability

Stock Code: 2363

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lee King On Jeff *(Chairman)*
(appointed as Chairman on 25 June 2025)
Mr. Wang Ming Zhi
Mr. Wong Ming Li
(Chief Executive Officer)
(resigned on 25 June 2025)

Independent Non-executive Directors

Mr. Chan Shiu Man
Mr. Wan, Aaron Chi Keung
Mr. Chan Luk On
Ms. Kwok Sau King Tina

AUDIT COMMITTEE

Mr. Chan Shiu Man *(Chairman)*
Mr. Wan, Aaron Chi Keung
Mr. Chan Luk On
Ms. Kwok Sau King Tina

REMUNERATION COMMITTEE

Mr. Wan, Aaron Chi Keung *(Chairman)*
Mr. Chan Shiu Man
Mr. Chan Luk On
Ms. Kwok Sau King Tina

NOMINATION COMMITTEE

Mr. Chan Shiu Man *(Chairman)*
Mr. Wan, Aaron Chi Keung
Mr. Chan Luk On
Ms. Kwok Sau King Tina

COMPANY SECRETARY

Mr. Lee King On Jeff

AUDITOR

D & Partners CPA Limited
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
2201, 22/F, West Exchange Tower
322 Des Voeux Road Central
Sheung Wan, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Lee King On Jeff
Mr. Chan Shiu Man *(appointed on 25 June 2025)*
Mr. Wong Ming Li *(resigned on 25 June 2025)*

PRINCIPAL BANKERS

In Hong Kong:
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

In the PRC:
United Overseas Bank (China) Limited Suzhou Branch
China Construction Bank Changshu Branch

LEGAL ADVISERS

As to Hong Kong laws:
CFN Lawyers in association with Broad & Bright

As to PRC laws:
Jiangsu New Talent (Changshu) Law firm

As to Cayman Islands laws:
Conyers Dill & Pearman, Cayman

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1203, 12th Floor
Shui On Centre, 6-8 Harbour Road Wanchai, Hong Kong
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LISTING INFORMATION

Listed on the Hong Kong Stock Exchange (Main Board)
Stock short name: Tongda Hong Tai
Stock code: 2363
Board lot: 5,000 shares
Listing date: 16 March 2018 (the "Listing Date")

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

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

BUSINESS PROSPECTS

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

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL STRUCTURE

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

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

CAPITAL EXPENDITURE

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

FOREIGN EXCHANGE

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

SIGNIFICANT INVESTMENTS HELD

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

CONTINGENT LIABILITIES

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

EMPLOYEE INFORMATION

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

CHARGE ON GROUP ASSETS

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

CONDENSED CONSOLIDATED INCOME STATEMENT

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	–	–
Right-of-use assets	10(a)	–	–
Lease receivables	10(d)	793	4,165
Total non-current assets		793	4,165
CURRENT ASSETS			
Inventories	11	28,866	24,671
Trade and bills receivables	12	40,568	41,195
Lease receivables	10(d)	3,689	3,502
Prepayments, deposits and other receivables		1,766	5,005
Tax recoverable		677	782
Restricted bank balances		768	1,139
Cash and bank balances		81,366	84,153
Total current assets		157,700	160,447
CURRENT LIABILITIES			
Trade payables	13	27,692	32,049
Other payables and accruals	14	22,196	290,125
Loans from and amounts due to related parties	15	2,889	2,948
Lease liabilities	10(b)	6,504	6,214
Total current liabilities		59,281	331,336

	Notes	Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
NET CURRENT ASSETS/ (LIABILITIES)		**98,419**	(170,889)
TOTAL ASSETS LESS CURRENT LIABILITIES		**99,212**	(166,724)
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	**773**	4,663
Other payable	14	**274,434**	–
Total non-current liabilities		**275,207**	4,663
Net liabilities		**(175,995)**	(171,387)
DEFICIENCY			
Equity attributable to equity holders of the Company Issued capital	16	**20,422**	20,422
Deficit		**(196,417)**	(191,809)
Total deficit		**(175,995)**	(171,387)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited six months ended 30 June 2025 Attributable to equity holders of the Company						
	Issued capital HK$'000 (Note 16)	Share premium HK$'000	Capital reserve HK$'000	Statutory reserve fund HK$'000	Exchange fluctuation reserve HK$'000	Accumulated Loss HK$'000	Total deficit HK$'000
At 1 January 2025	20,422	250,476	200,706	16,031	4,756	(663,778)	(171,387)
Profit for the period	-	-	-	-	-	5,204	5,204
Other comprehensive expense for the period:							
Exchange differences on translation of a foreign operation	-	-	-	-	(9,812)	-	(9,812)
Total comprehensive expense for the period	-	-	-	-	(9,812)	5,204	(4,608)
At 30 June 2025	20,422	250,476*	200,706*	16,031*	(5,056)*	(658,574)*	(175,995)

	Unaudited six months ended 30 June 2024 Attributable to equity holders of the Company						
	Issued capital HK$'000 (Note 16)	Share premium HK$'000	Capital reserve HK$'000	Statutory reserve fund HK$'000	Exchange fluctuation reserve HK$'000	Accumulated Loss HK$'000	Total deficit HK$'000
At 1 January 2024	6,807	186,233	200,706	16,031	(4,853)	(638,123)	(233,199)
Loss for the period	–	–	–	–	–	(23,674)	(23,674)
Other comprehensive income for the period:							
Exchange differences on translation of a foreign operation	–	–	–	–	6,983	–	6,983
Total comprehensive expense for the period	–	–	–	–	6,983	(23,674)	(16,691)
Issue of new shares under Rights Issue	13,615	65,352	–	–	–	–	78,967
At 30 June 2024	20,422	251,585*	200,706*	16,031*	2,130*	(661,797)*	(170,923)

* These reserve accounts comprise the consolidated deficit of approximately HK$196,417,000 (six months ended 30 June 2024: HK$191,345,000) in the consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	**(11,198)**	6,448
Interest paid	**6,848**	(173)
Net cash flows (used in)/generated from operating activities	**(4,350)**	6,275
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**647**	46
Proceeds from disposal of items of property, plant and equipment	**124**	1,047
Receipt from lease receivables	**3,476**	–
Decrease in restricted bank balances	**371**	62
Exchange realignment	**–**	16
Net cash flows generated from investing activities	**4,618**	1,171

	Unaudited Six months ended 30 June 2025 HK$'000	2024 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal elements of lease payments	**(3,906)**	(4,024)
Increase in loans from related parties	**–**	94
Increase in amount due to a related company	**(5,386)**	–
Proceeds from issue of new shares under Rights Issue	**–**	78,967
Exchange realignment	**5,632**	(242)
Net cash flows (used in)/generated from financing activities	**(3,660)**	74,795
NET (DECREASE))/INCREASE IN CASH AND BANK BALANCES	**(3,392)**	82,241
Cash and cash equivalents at beginning of period	**84,153**	6,280
Effect of foreign exchange rate changes, net	**605**	279
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**81,366**	88,800
ANALYSIS OF BALANCES OF CASH AND BANK BALANCES		
Cash and bank balances	**82,134**	91,332
Less: Restricted bank balances	**(768)**	(2,532)
	81,366	88,800

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

2. BASIS OF PRESENTATION

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

2. BASIS OF PRESENTATION *(continued)*

Going concern assumptions

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

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

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

(a) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure; and

(b) The management is in process to develop a plan to restructure the Group's business, improve operational efficiency, and explore new opportunities.

2. BASIS OF PRESENTATION *(continued)*

Going concern assumptions *(continued)*

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

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

3. ACCOUNTING POLICIES

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

Amendments to HKAS 21	The effects of changes in foreign exchange rates: lack of exchangeability[1]

1 Effective for annual periods beginning on or after 1 January 2025

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

4. OPERATING SEGMENT INFORMATION

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

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

Information about major customers

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

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

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

5. PROFIT/(LOSS) BEFORE TAX

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

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

6. INCOME TAX

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

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

6. INCOME TAX *(continued)*

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

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

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

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

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

7. DIVIDENDS

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

8. PROFIT/(LOSS) PER SHARE

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

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

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

9. PROPERTY, PLANT AND EQUIPMENT

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

10. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold buildings used in its operations. Leases of leasehold buildings generally have lease terms between 3 to 10 (2023: 10) years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Period are as follows:

	Leasehold buildings HK$'000
As at 1 January 2024	17
Addition of leases	13,205
Depreciation charge	(733)
Impairment loss	(1,467)
Reversal of impairment loss arising from subleasing arrangements	2,114
Derecognition arising from subleasing arrangements	(13,135)
Exchange realignment	(1)
As at 31 December 2024, 1 January 2025 and 30 June 2025	–

During the year ended 31 December 2024, the Group had entered into tenancy agreements with the independent third parties to sublease certain of its leasehold buildings in the PRC. The Group's management considers that part of the impairment loss recorded in the prior years is recovered, accordingly, reversal of impairment loss on right-of-use assets of HK$2,114,000 was credited to the consolidated income statement.

10. LEASES *(continued)*

The Group as a lessee *(continued)*

(a) Right-of-use assets *(continued)*

In respect of the subleasing arrangements, the Group has derecognised right-of-use assets of HK$13,135,000 and net investment in lease of HK$11,360,000, accordingly, a loss on inception of subleasing arrangements of HK$1,775,000 was recorded in the consolidated income statement during the year ended 31 December 2024.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Period are as follows:

	Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
Carrying amount at 1 January	**10,877**	1,861
Additions	**–**	13,205
Accretion of interest recognised during the year	**95**	331
Payments	**(4,001)**	(4,268)
Exchange realignment	**306**	(252)
Carrying amount at 30 June/ 31 December	**7,277**	10,877
Analysed into:		
Current portion	**6,504**	6,214
Non-current portion	**773**	4,663

10. LEASES *(continued)*

The Group as a lessee *(continued)*

(c) The amounts debited in the consolidated income statement in relation to leases are as follows:

	Unaudited Six months ended 30 June 2025 HK$'000	2024 HK$'000
Interest on lease liabilities	**95**	173
Depreciation charge of right-of-use assets	**–**	1,980
Expense relating to short-term lease	**16**	84
Total amount debited in the consolidated income statement	**111**	2,237

10. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) Finance lease arrangement

The Group subleases certain of its leasehold buildings in the PRC. The terms of the lease require the tenants to pay in advance periodically before use.

The reconciliation between the undiscounted lease payments receivable and the lease receivables by the Group in future periods under non-cancellable leases with its tenants are as follows:

	Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
Within one year	**3,798**	3,671
After one year but within two years	**542**	3,671
After two years but within five years	**284**	549
Gross investment in leases	**4,624**	7,891
Less: Unearned finance income	**(142)**	(224)
Lease receivables	**4,482**	7,667
Less: Non-current portion	**(793)**	(4,165)
Current portion	**3,689**	3,502

10. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) ***Finance lease arrangement*** *(continued)*

The management of the Group considers lease receivables to have minimal expected credit loss when the balances related to a number of tenants that have good repayment history and have strong capacities to meet their contractual cash flow obligation. As at 30 June 2025, none of the balances has been past due (31 December 2024: nil).

11. INVENTORIES

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

12. TRADE AND BILLS RECEIVABLES

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

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

12. TRADE AND BILLS RECEIVABLES *(continued)*

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

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

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

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

12. TRADE AND BILLS RECEIVABLES *(continued)*

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

13. TRADE PAYABLES

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

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

14. OTHER PAYABLES AND ACCRUALS

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

Notes:

(a) One of the other payables recognised in non-current portion (31 December 2024: current portion) of HK$181,055,000 (31 December 2024: HK$181,055,000) is unsecured, bear interest ranges from 3.6% to 4.75% (31 December 2024: 4.75%) per annum and repayable after one year (31 December 2024: repayable within one year). The corresponding accrued interest of HK$23,937,000 (31 December 2024: HK$20,159,000) is repayable after one year (31 December 2024: repayable within one year).

(b) Another payable recognised in non-current portion (31 December 2024: current portion) of HK$60,000,000 (31 December 2024: HK$Nil) is unsecured, bear interest at 7.00% (31 December 2024: 7.00%) per annum and repayable after one year (31 December 2024: repayable within one year). The corresponding accrued interest of HK$9,441,000 (31 December 2024: HK$7,364,000) is repayable after one year (31 December 2024: repayable within one year).

(c) The remaining other payables recognised in current portion are unsecured, non-interest-bearing and repayable on demand.

15 LOANS FROM AND AMOUNTS DUE TO RELATED PARTIES

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

Notes:

(a) The balance of loan from Mr. Wang Ya Nan of HK$2,400,000 is unsecured, bearing interest at 2% per annum and is repayable on demand. The remaining balances of amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

(b) Tongda Group International Limited and Tong Da General Holdings (HK) Limited are related companies controlled by Mr. Wang Ya Nan.

16. ISSUED CAPITAL

	Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
Authorised:		
600,000,000 (31 December 2024: 600,000,000) ordinary shares of HK$0.1 each (31 December 2024: HK$0.1 each)	**60,000**	60,000
Issued and fully paid:		
204,224,073 (31 December 2024: 204,224,073) ordinary shares of HK$0.1 each (31 December 2024: HK$0.1 each)	**20,422**	20,422

16. ISSUED CAPITAL *(continued)*

A summary of movements in the Company's authorised and issued share capital is as follows:

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Authorised:			
At 31 December 2024, 1 January 2025 and 30 June 2025	(a)	600,000,000	60,000
Issued and fully paid:			
At 31 December 2024, 1 January 2025 and 30 June 2025	(b)	204,224,073	20,422

Note (a):

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

16. ISSUED CAPITAL *(continued)*

Note (b):

On 12 January 2024, the Board of the Company has proposed to implement the rights issue on the basis of two rights shares for every one consolidated share at the subscription price of HK$0.58 per rights share (the "Rights Issue"). At the same date, the Company entered into a placing agreement with an independent placing agent, pursuant to which the Company has conditionally agreed to place, through the independent placing agent, on a best effort basis to procure placees to subscribe the unsubscribed rights shares at a price at least equal to the subscription price of the rights shares (the "Placing"). Based on the acceptance results of the Rights Issue and the Placing, rights shares (including the placing shares) of 136,149,382 shares has been allotted and issued, representing 100% of the total number of rights shares offered for subscription under the Rights Issue. The gross proceeds raised from the placing was approximately HK$78,967,000. The net proceeds (after deducting the placing commission and other related expenses of approximately HK$1,109,000) was approximately HK$77,858,000. The Rights Issue and Placing had been completed on 8 May 2024.

The subscription price HK$0.58 per Rights Issue and Placing represents a premium of approximately 5.45% to the market closing price HK$0.55 per share of the Company's shares as quoted on the Stock Exchange on 8 May 2024, being the date on which the Rights Issue and Placing were completed and the terms were fixed.

Further details of the Right Issue and Placing are set out in the Company's announcement dated 12 January 2024, the circular dated 29 February 2024, the prospectus dated 28 March 2024 and the announcements dated 26 April 2024 and 8 May 2024.

17. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2025.

18. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following transactions with related parties during the Period:

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Notes	HK$'000	HK$'000
Lease payments to Tongda Group	(i)	–	84

Notes:

(i) During the Period, rental payment in relation to a lease with Tongda Group International Limited ("Tongda Group"), of which Mr. Wang Ya Nan is a key management, were charged to the consolidated income statement.

(b) Compensation of key management personnel of the Group

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
Short term employee benefits	954	997
Post-employment benefits	33	37
Total compensation paid to key management personnel	987	1,034

19. FAIR VALUE AND FAIR VALUE HIERARCHY

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Management has assessed that the fair values of cash and bank balances, restricted bank balances, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loans from and amounts due to related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Group's financial controller. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

At at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Debt investments at fair value through other comprehensive income – Bills receivable	–	79	–	79

19. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

Fair value hierarchy *(continued)*

At at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Debt investments at fair value through other comprehensive income – Bills receivable	–	492	–	492

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2024: Nil).

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current Period's financial statement presentation.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by of the Directors on 28 August 2025.

SUPPLEMENTARY INFORMATION

INTERIM DIVIDEND

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Listing Rules (the "Model Code") were as follows:

Long positions in shares of the Company

Name of shareholder	Nature of interest	Number of shares interested	Percentage of shareholding in the Company
Mr. Wang Ya Nan (former Non-executive Director) (Note 1)	Beneficial owner	0	0.00%
	Interest of controlled corporation	18,704,481	9.16%

Note:

1. 18,704,481 shares are beneficially held by Landmark Worldwide Holdings Limited ("Landmark Worldwide"). The issued share capital of Landmark Worldwide is beneficially owned as to 25% by each Messrs. Wong Ah Yeung, Wang Ya Hua, Wong Ah Yu and Wang Ya Nan. As Mr. Wong Ming Li, the former executive Director and the chief executive officer of the Group, is the nephew of Mr. Wang Ya Nan and the son of Mr. Wong Ah Yu, Landmark Worldwide and the parties acting in concert to it are deemed as an associate of Mr. Wong Ming Li.

Save as disclosed above, as at 30 June 2025, there were no other interests or short positions of the Directors in the shares or underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, required to be recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the following persons/entities (other than the Directors or the chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long positions in shares of the Company

Name of shareholder	Nature of interest	Number of shares interested	Percentage of share holding in the Company
Mr. Wong Ah Yeung (Note 1)	Beneficial owner	0	0.00%
	Interest of controlled corporation	18,704,481	9.16%
Mr. Wong Ah Yu (Note 1)	Beneficial owner	0	0.00%
	Interest of controlled corporation	18,704,481	9.16%
Mr. Wang Ya Hua (Note 1)	Beneficial owner	0	0.00%
	Interest of controlled corporation	18,704,481	9.16%
Landmark Worldwide (Note 1)	Beneficial owner	18,704,481	9.16%
Leung Ho Chi (Note 2)	Interest of controlled corporations	40,833,611	19.99%

Note:

1. 18,704,481 shares are beneficially held by Landmark Worldwide Holdings Limited ("Landmark Worldwide"). The issued share capital of Landmark Worldwide is beneficially owned as to 25% by each Messrs. Wong Ah Yeung, Wang Ya Hua, Wong Ah Yu and Wang Ya Nan.

2. 10,200,000 shares are beneficially held by Hong Kong Education and Culture Centre Limited ("HKECCL"), a company incorporated in Hong Kong with limited liability. 30,633,611 shares are beneficially held by Dashing Vision Limited ("Dashing"), a company incorporated in the British Virgin Islands with limited liability. Leung Ho Chi is deemed to be interested in all the shares held by HKECCL and Dahshing under the SFO.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any persons/entities (other than the Directors or the chief executive of the Company) who held an interest or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed in the section headed "Share Option Scheme" below, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of the Company or any other body corporate.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "Share Option Scheme") pursuant to the written resolutions of the sole shareholder passed on 8 February 2018. The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined below) have had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

Pursuant to the Share Option Scheme, the Directors may, at their absolute discretion, offer to grant an option to subscribe for the shares subject to such conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before an option can be exercised) as they may think fit, to the following persons (the "Eligible Participants"): (a) any full-time or part-time employees, executives or officers of the Company; (b) any director (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries; (c) any advisers, consultants, service providers, customers and agents to the Company or any of its subsidiaries; and (d) such other persons who, in the sole opinion of the Directors, will contribute or have contributed to the Group.

An option shall have been accepted by an Eligible Participant within 21 days from the date of the offer of grant of the option. A consideration of HK$1.00 is payable on acceptance of the offer of grant of an option.

The maximum number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Details of the Share Option Scheme are set out in the section "STATUTORY AND GENERAL INFORMATION – D. SHARE OPTION SCHEME" of the SHARE OFFER prospectus of the Company dated 28 February 2018. No options may be granted under the Share Option Scheme or any other share option schemes of the Group if this will result in the limit being exceeded. No share options had been granted by the Company under the Share Option Scheme up to the date of this report.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of options in excess of the 1% limit shall be subject to shareholders' approval in general meeting with such participant and his associates abstaining from voting.

The subscription price per share under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant, which must be a Business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Business days immediately preceding the date of grant; and (c) the nominal value of a share.

Unless there is an early termination of the Share Option Scheme pursuant to the rules of the Share Option Scheme, the Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted. The period during which an option may be exercised will be determined by the Directors in their absolute discretion, save that no option shall be exercised later than 10 years from the date of grant. The remaining life of the Share Option Scheme was approximately 5 years.

Since the adoption of the Share Option Scheme, no share option has been granted under the Share Option Scheme. Therefore, no share option was exercised or cancelled or lapsed during the Period and there was no outstanding option as at 30 June 2025.

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

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

USE OF NET PROCEEDS FROM THE LISTING

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018. Net proceeds from the Listing (after deducting underwriting fee and relevant expenses payable by the Group in connection with the Listing) amounted to approximately HK$48.5 million. As at 30 June 2025, a total amount of approximately HK$46.8 million out of the net proceeds had been used by the Group and the unutilised amount will be used by the Group according to the allocation as set out in the Company's prospectus dated 28 February 2018.

The following sets forth a summary of the utilisation of the net proceeds:

Purpose	Percentage to total amount	Net proceeds HK$ million	Utilised amount (as at 30 June 2025) HK$ million	Unutilised amount (as at 30 June 2025) HK$ million	Expected timeline of full utilisation of the balance
Lease of factory (Note 1)	15.1%	7.3	5.6	1.7	2024-2026
Refurbish the new factory	19.9%	9.6	9.6	–	–
Capital expenditure for additional production facilities and machineries	46.2%	22.4	22.4	–	–
Capital expenditure on enhancing the automation in the Group's manufacturing process	16.1%	7.8	7.8	–	–
Additional effort in sales and marketing activities	0.3%	0.2	0.2	–	–
Enhancement of research and development capabilities	2.4%	1.2	1.2	–	–
Total	100%	48.5	46.8	1.7	

Note:

1. The lease of the factory is for a term of three years, and therefore the remaining balance of approximately HK$1.7 million is expected to be fully utilised by the year 2025 to 2026.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 08 May 2024, the Group completed the rights issue on the basis of two rights shares for every one consolidated ordinary share of the Company at the subscription price of HK$0.58 per rights share, the net proceeds from the rights issue, after deducting the estimated expenses of approximately HK$1.1 million (including but not limited to placing commission, legal expenses and disbursements), are approximately HK$77.9 million. The Company intends to apply the net proceeds to (i) approximately HK$70.0 million for repayment of loans and other payables of the Group; and (ii) approximately HK$7.9 million as general working capital of the Group. As of 30 June 2025, the said net proceeds has not been fully utilised as intended.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float for the Period and up to the date of this report.

CORPORATE GOVERNANCE CODE

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

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

AUDIT COMMITTEE

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

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

EVENTS AFTER THE PERIOD

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

PUBLICATION OF INTERIM REPORT

This report is published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website at http://www.tongdahongtai.com.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises Mr. Lee King On Jeff and Mr. Wang Ming Zhi as executive Directors; and Mr. Chan Shiu Man, Mr. Wan, Aaron Chi Keung, Mr. Chan Luk On and Ms. Kwok Sau King Tina as independent non-executive Directors.

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

Hong Kong, 28 August 2025