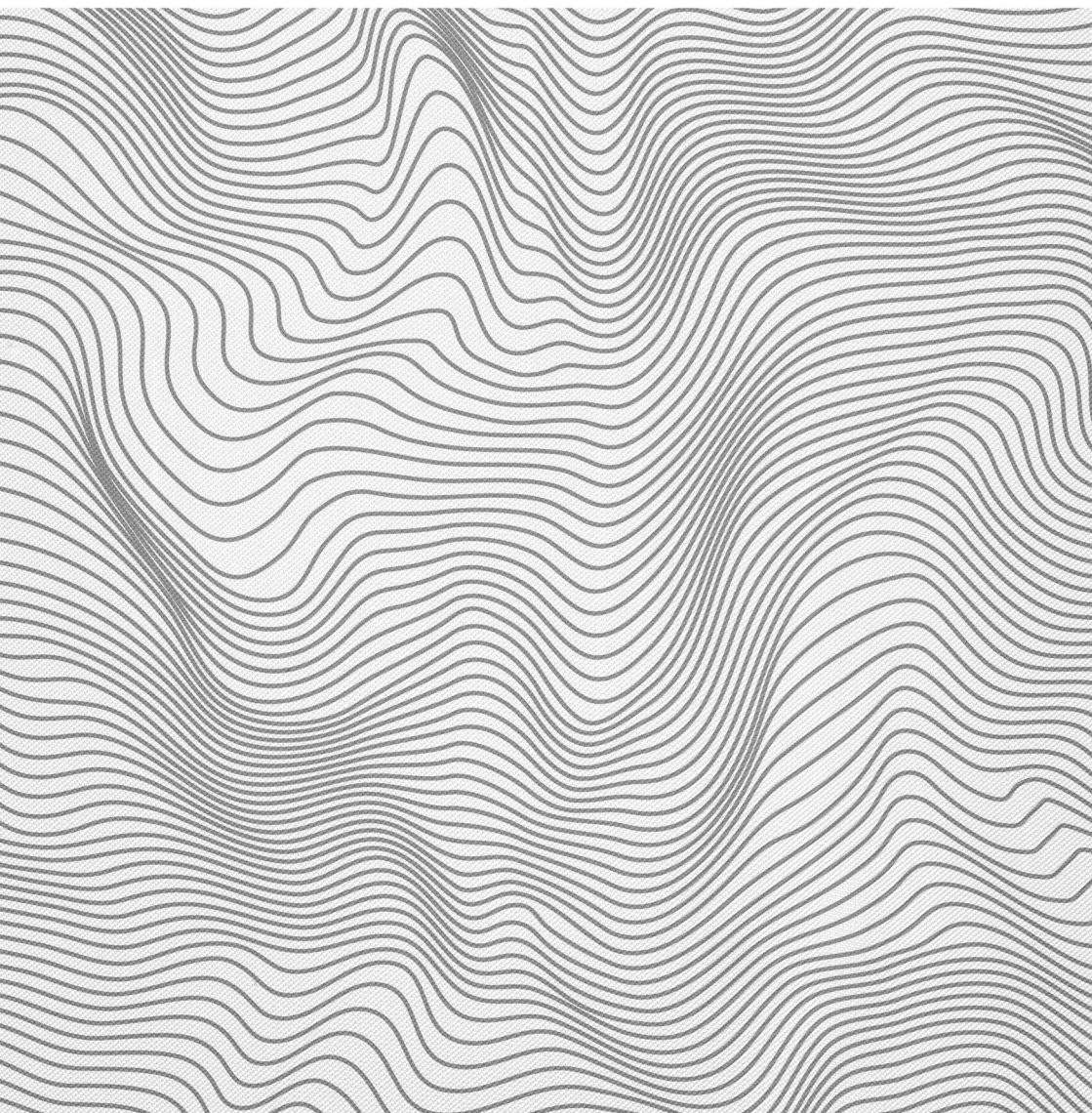


# **SG GROUP HOLDINGS LIMITED**

## **樺欣控股有限公司**

Incorporated in the Cayman Islands with limited liability  
Stock Code: 1657

INTERIM REPORT 2025



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# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The business operations of the Group consist of three major segments, namely (i) the traditional segment, where the Group primarily sources and supplies branded label apparel products to fashion retailers and wholesalers; (ii) the new retail segment, where the Group proactively collaborates with influencers, providing design, develop and supply both branded label and influencer collaboration label apparel products to fashion retailers and wholesalers; and (iii) the institutional catering segment, where the Group provides institutional catering to private institution.

During the Period, the Group recorded an increase in the traditional segment. The Group's revenue from such business segment has increased by 34.9% to approximately HK\$55.3 million for the Period from approximately HK\$41.0 million for the six months ended 31 October 2024. The increase reflected the increase in sales orders from our major UK customers.

In respect of new retail business, the Group's revenue increased by 7.1% to approximately HK\$19.7 million for the Period from approximately HK\$18.4 million for the six months ended 31 October 2024. The increase reflected the increase in sales orders from our major UK customers benefited from the provision of the best and most relevant products to our customers.

In respect of provision of institutional catering to private institution business, the Group recorded an increase by 15.7% to HK\$5.9 million for the Period from approximately HK\$5.1 million for the six months ended 31 October 2024. Building on the successful start and high customer satisfaction, the Group is confident in growing the institutional catering business over the long term. The Group will continue to grow market share by providing a wide range of high-value menu offerings and customer-focused service.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by 25.6% to approximately HK\$80.9 million for the Period from approximately HK\$64.4 million for the six months ended 31 October 2024. The increase in revenue was mainly due to (i) the increase in revenue generated from the businesses in respect of the supply of apparel products and the provision of institutional catering to private institution; (ii) the increase in sales orders and revenue generated from the supply of apparel products to major customers headquartered in the UK.

### Traditional business

The Group recorded an increase in the traditional segment. The Group's revenue from such business segment has increased by 34.9% to approximately HK\$55.3 million for the Period from approximately HK\$41.0 million for the six months ended 31 October 2024. The increase reflected the increase in sales orders from our major UK customers.

### New retail business

The Group recorded an increase in revenue from the new retail business by 7.1% to approximately HK\$19.7 million for the Period from approximately HK\$18.4 million for the six months ended 31 October 2024. The increase reflected the increase in sales orders from our major UK customers benefited from the provision of the best and most relevant products to our customers.

### Institutional catering business

The Group recorded an increase by 15.7% to HK\$5.9 million for the Period from approximately HK\$5.1 million for the six months ended 31 October 2024. Building on the successful start and high customer satisfaction, the Group is confident in growing the institutional catering business over the long term. The Group will continue to grow market share by providing a wide range of high-value menu offerings and customer-focused service.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (CONTINUED)

### Cost of sales and services

The Group's cost of sales and services primarily consists of cost of goods sold and other direct costs. The cost of sales and services increased by 22.2% to approximately HK\$70.4 million for the Period as compared to HK\$57.6 million for the six months ended 31 October 2024. The cost of sales and services increased along with the increase in revenue for the Period.

### Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$10.6 million for the Period from approximately HK\$6.8 million for the six months ended 31 October 2024, representing an increase of approximately 55.9%. The Group's gross profit margin was approximately 13.1% for the Period and approximately 10.6% for the six months ended 31 October 2024. Focusing on the traditional and new retail business segment, the Group's gross profit margin was approximately 10.1% for the Period and approximately 8.2% for the six months ended 31 October 2024. Such increase in gross profit margin was primarily attributable to the continuous effort in optimization of both customer and supplier portfolio.

### Other gains and losses

The Group recorded other net gains on foreign exchange of approximately HK\$84,000 for the Period, as compared to other net gains of approximately HK\$404,000 for the six months ended 31 October 2024. Such increase was mainly due to the foreign exchange gains on the appreciation of Great British Pound ("GBP").

The Group recorded a net unrealised gains on financial assets at FVTPL of HK\$16,000 for the Period, as compared to a net unrealized losses on financial assets at FVTPL of approximately HK\$346,000 for the six months ended 31 October 2024. However, the Group continues, from time to time, to explore, in a prudent way, suitable investment opportunities to enhance the interests of the Company and its shareholders.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (CONTINUED)

### Impairment loss recognised on trade receivables

The Group recorded a provision for impairment loss recognised on trade receivables of approximately HK\$42,000 for the Period, as compared to a provision for impairment loss recognised on trade receivables of approximately HK\$1.7 million for the six months ended 31 October 2024. As a result of the decrease in trade receivables of a major customer targeting US market and our UK customers at the end of the Period and took into account the forward looking factor when assessing the expected credit loss on the trade receivables, the Group incurred a lesser amount of credit loss allowance against the trade receivables as compared to the six months ended 31 October 2024. There was no significant change of credit risk exposure for the major customers of the Group.

### Administrative expenses

Administrative expenses primarily consist of employee benefit expenses, entertainment expenses, travelling expenses, depreciation of property and equipment and right of-use assets, legal and professional fees and other miscellaneous general and administrative expenses. Administrative expenses increased to approximately HK\$8.9 million for the Period from approximately HK\$8.1 million for the six months ended 31 October 2024, representing an increase of approximately 9.9%. The increase was mainly attributable to the increase in staff cost of approximately HK\$3.8 million (for the six months ended 31 October 2024: HK\$3.1 million), resulting in the optimisation of back office team so as to cope with the new market and new customers. Nonetheless, the Group continues to inspire the team talent amid the marked slowdown in demand driven by global economic uncertainty and ensures proper cost control measures on the employees' remuneration during the Period.

### Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK\$7.6 million for the Period from approximately HK\$7.1 million for the six months ended 31 October 2024, representing an increase of approximately 7.0%. The increase was mainly attributable to the increase in staff cost of approximately HK\$2.9 million (for the six months ended 31 October 2024: HK\$2.2 million), resulting in the enhancement of the provision of apparel designing and sourcing services and institutional catering to better fulfill our commitments to the existing and potential customers. Nonetheless, the Group continues to ensure proper cost control measures on the employees' remuneration during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (CONTINUED)

### Loss for the period

The Group recorded a loss for the period of approximately HK\$5.8 million for the Period, as compared to loss for the period of approximately HK\$9.0 million for the six months ended 31 October 2024. The decrease in loss was mainly due to (i) the increase in revenue and gross profit generated from the businesses in respect of the supply of apparel products and the provision of institutional catering to private institution, as well as (ii) the decrease in record of the provision for impairment loss recognised on trade receivables for the Period.

### Total comprehensive expenses attributable to owners of the Company

Total comprehensive expenses attributable to owners of the Company amounted to approximately HK\$5.3 million for the Period, as compared to total comprehensive expenses of approximately HK\$8.9 million for the six months ended 31 October 2024. The decrease was in line with the loss for the Period; as a result of the continuous economic slowdown and intense competition of the overall fashion retail and wholesale market under the continuous geopolitical tensions, high inflation and interest rate hikes.

### Basic loss per Share

The Company's basic loss per Share for the Period was approximately HK\$0.18, as compared to the basic loss per Share of approximately HK\$0.28 for the six months ended 31 October 2024. The decrease was in line with the loss for the period attributable to owners of the Company for the Period, as compared to that for the six months ended 31 October 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE PROSPECTS

With the global economic uncertainties and the increase of credit risk, adhering to the Group's credit risk control policies, the Group will continue to explore new business opportunities with the existing and potential customers in different regions and continue to strengthen its customized comprehensive apparel designing and sourcing services to better fulfill our commitments to the existing and potential customers.

Meanwhile, the Group will continue to expand the peripheral business scope of fashion and scale up the institutional catering at pace and to deliver a sustainable and profitable growth for the Group.

Looking ahead, the Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors will also continue, from time to time, to explore, in a prudent way, suitable investment opportunities to enhance the interests of the Company and its shareholders which in time will bring sustainable and stable development to the Group.

## PRINCIPAL RISKS AND UNCERTAINTIES

There are certain other risks involved in the Group's current operations. In particular, the Group relies on several major customers and the Group does not enter into any long-term contracts with the customers and therefore they have no commitment to place future orders with the Group, which exposes the Group to the risk of uncertainty and potential volatility in the Group's revenue. The Group also faces business risks such as (i) customers' reliance on the Group's ability to respond to changes in end consumers' preference in a timely manner; (ii) if there is a significant decrease in the orders from our customers in the UK, the Group cannot guarantee that it would be able to make up the loss of sales from other markets; (iii) the Group operates in a competitive market and the intense competition it faces may lead to a decline in the Group's market share and lower profit margins; (iv) the Group is exposed to credit risk from our customers and the payments may not be collected from our customers in the future; (v) costs increase due to fluctuations in the price, availability and quality of raw materials which could affect the supplies of the Group; and (vi) some of our customers are sensitive to social responsibility and social compliance standards if our approved suppliers have or are perceived to have failed to comply with these standards, our reputation as a design and sourcing service provider could be adversely affected and customers may choose not to continue their business with us.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 31 October 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 13 of Appendix D2 to the Listing Rules, were as follows:

Name of Directors	Nature of interest	Percentage of shareholding in the Company's issued share capital	
		Number of Shares held	
Mr. Charles Choi (Note 1)	Interest in controlled corporation	23,000,000 (L)	71.88%
	Beneficial owner	970,000 (L)	3.03%
	Total	23,970,000 (L)	74.91%
Mr. Lai Kwok Hung, Alex	Beneficial owner	10,000 (L)	0.03%

Notes:

- Mr. Charles Choi directly owns 100% of JC Fashion International Group Limited ("JC International"), which in turn holds 71.88% of the issued share capital of the Company. Mr. Charles Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO.
- The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 31 October 2025, none of the Directors nor chief executive of the Company has registered an interests and 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) (i) 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 which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rule 13 of Appendix D2 to the Listing Rules.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 October 2025, the following persons (not being Directors or chief executive of the Company) will have or be deemed or taken to have an interest or short position in the Shares or the underlying Shares 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 would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholder	Nature of interests	Number of Shares held	Percentage of shareholding in the Company's issued share capital
JC International (Note 1)	Beneficial owner	23,000,000 (L) (Note 2)	71.88%

Notes:

1. Mr. Charles Choi directly owns 100% of JC International, which in turn holds 71.88% of the issued share capital of the Company. Mr. Charles Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO.
2. The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 31 October 2025, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares 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 would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## **OTHER INFORMATION**

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

During the Period and up to the date of this interim report, the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix C3 to Listing Rules (the "Model Code"). In response to the specific enquiry made by the Company of the Directors, all Directors have confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the six months ended 31 October 2025.

Pursuant to B.13 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save for as disclosed in this report, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, or any of its holding companies, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the six months ended 31 October 2025 or at any time during the six months ended 31 October 2025, nor was there any transaction, arrangements or contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries for the six months ended 31 October 2025. There was also no contract of significance between the Company or one of the subsidiaries and the controlling shareholders or any of its subsidiaries.

## **OTHER INFORMATION**

### **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the Period and up to the date of this report, save for as disclosed in this report, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under the Listing Rules.

### **NON-COMPETITION UNDERTAKING**

Each of the covenants of the deed of non-competition dated 21 February 2017 (“Non-Competition Undertakings”), Mr. Charles Choi and JC International (“Covenants”), has made annual declarations to the Company that during the six months ended 31 October 2025 and 2024, they have complied with the terms of the Non-Competition Undertakings. Details of the Non-Competition Undertakings are set out in the section headed “Relationship with our Controlling Shareholders” of the Prospectus.

The independent non-executive Directors have reviewed the status of compliance by each of the Covenants with the undertakings in the Non-Competition Undertakings and as far as the independent non-executive Directors can ascertain, the undertakings have been fully complied with and enforced during the six months ended 31 October 2025 and 2024. The executive Directors and the independent non-executive Directors also confirm that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors of the Group.

### **CORPORATE GOVERNANCE PRACTICES**

The Company’s corporate governance code are based on the principles of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules. The Company is committed to ensure a quality board and transparency and accountability to Shareholders. The CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Charles Choi is the chairman and chief executive officer of the Company, which constitutes a deviation from the code provision C.2.1.

## **OTHER INFORMATION**

### **CORPORATE GOVERNANCE PRACTICES (CONTINUED)**

Since Mr. Charles Choi has been operating and managing JC Fashion Group Limited, the main operating subsidiary of the Company since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Charles Choi taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance. The Directors also believe that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and professional individuals including three independent non-executive Directors. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

The Company complied with all code provisions in the CG Code during the six months ended 31 October 2025, save for code provision C.2.1.

### **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events affecting the Group after the six months ended 31 October 2025 and up to the date of this report.

### **DIVIDEND**

The Board does not recommend the payment of dividend for the six months ended 31 October 2025 (31 October 2024: Nil).

## OTHER INFORMATION

### AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has set up an Audit and Risk Management Committee on 21 February 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and section C3 of the CG Code. The duties of the Audit and Risk Management Committee are to review relationship with the Company's external auditors, review the Company's financial information, oversee the Company's financial reporting system and internal control procedures and oversee the Company's continuing connected transactions. The Audit and Risk Management Committee comprises all three independent non-executive Directors, namely Mr. Lai Kwok Hung, Alex, who is the chairman of the Audit and Risk Management Committee, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu. The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Audit and Risk Management Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.

By order of the Board  
**SG Group Holdings Limited**  
**Choi King Ting, Charles**  
*Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, 30 December 2025

*As at the date of this report, the executive Directors are Mr. Choi King Ting, Charles, Mr. Choi Ching Shing and Ms. Li Li Mei; and the independent non-executive Directors are Mr. Lai Kwok Hung, Alex, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu.*



# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**TO THE BOARD OF DIRECTORS OF SG GROUP HOLDINGS LIMITED**  
(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of SG Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 16 to 34, which comprises the condensed consolidated statement of financial position as of 31 October 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

## **D & PARTNERS CPA LIMITED**

Certified Public Accountants

Hong Kong

30 December 2025

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 OCTOBER 2025

		Six months ended 31 October	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
NOTES			
Revenue	4	80,906	64,393
Cost of sales and services		(70,350)	(57,636)
Gross profit		10,556	6,757
Other income		417	1,047
Other gains, net	5	84	404
Net unrealised gains (losses) on financial assets at fair value through profit or loss ("FVTPL")		16	(346)
Net impairment loss recognised on trade receivables		(42)	(1,690)
Administrative expenses		(8,878)	(8,081)
Selling and distribution expenses		(7,571)	(7,096)
Finance costs		(383)	(116)
Loss before tax	6	(5,801)	(9,121)
Income tax credit	7	3	87
Loss for the period		(5,798)	(9,034)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of financial statements of foreign operations		478	122
Other comprehensive income for the period		478	122
Total comprehensive expenses for the period		(5,320)	(8,912)
Loss per share			
– basic and diluted (Hong Kong dollars)	9	(0.18)	(0.28)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2025

	NOTES	31 October 2025 HK\$'000 (unaudited)	30 April 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	12,581	13,528
Right-of-use assets		789	1,230
Investment properties		4,706	4,760
Intangible assets		–	514
Financial instrument at fair value through other comprehensive income ("FVTOCI")		–	–
		<b>18,076</b>	<b>20,032</b>
Current assets			
Inventories		7,968	476
Trade and other receivables	11	48,820	65,494
Tax recoverable		–	15
Financial assets at FVTPL		52	36
Bank balances and cash		23,372	30,439
		<b>80,212</b>	<b>96,460</b>
Current liabilities			
Contract liabilities		973	2,189
Trade and other payables	12	15,756	16,977
Lease liability		822	853
Bank borrowings	13	2,726	2,726
Other borrowings	14	–	10,000
Tax payables		211	127
		<b>20,488</b>	<b>32,872</b>
Net current assets		<b>59,724</b>	<b>63,588</b>
Total assets less current liabilities		<b>77,800</b>	<b>83,620</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2025

	NOTE	31 October 2025 HK\$'000 (unaudited)	30 April 2025 HK\$'000 (audited)
Non-current liabilities			
Lease liability		–	415
Deferred tax liabilities		10	95
		10	510
Net assets		77,790	83,110
Capital and reserves			
Share capital	15	320	320
Reserves		77,470	82,790
Total equity		77,790	83,110

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 OCTOBER 2025

	Share capital HK\$'000	Share premium HK\$'000	Statutory reserve HK\$'000 (Note)	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 May 2024 (audited)	320	39,201	456	(2,925)	(80)	52,372	89,344
Loss and total comprehensive income (expenses) for the period	-	-	-	-	122	(9,034)	(8,912)
At 31 October 2024 (unaudited)	320	39,201	456	(2,925)	42	43,338	80,432
At 1 May 2025 (audited)	320	39,201	456	(2,925)	(273)	46,331	83,110
Loss and total comprehensive income (expenses) for the period	-	-	-	-	478	(5,798)	(5,320)
Disposal of investment in financial instruments at FVTOCI	-	-	-	2,925	-	(2,925)	-
At 31 October 2025 (unaudited)	320	39,201	456	-	205	37,608	77,790

Note: Amount represents statutory reserve of the subsidiary of the Company established in the People's Republic of China (the "PRC"). According to the relevant laws in the PRC, the subsidiary is required to transfer at least 10% of its net profit after tax, as determined under the relevant accounting principles and financial regulations applicable to enterprises established in the PRC, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2025

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>Net cash used in operating activities</b>	<b>3,507</b>	(10,865)
<b>Investing activities</b>		
Interest received	1	15
Dividend income	–	18
Purchases of property, plant and equipment	(81)	(13)
<b>Net cash (used in) generated from investing activities</b>	<b>(80)</b>	20
<b>Financing activities</b>		
Repayment of bank borrowings	–	(154)
Repayment of lease liability	(447)	(513)
Interest paid	(383)	(116)
Repayment of other borrowings	(10,000)	–
<b>Cash used in financing activities</b>	<b>(10,830)</b>	(783)
<b>Net decrease in cash and cash equivalents</b>	<b>(7,403)</b>	(11,628)
<b>Cash and cash equivalents at beginning of the period</b>	<b>30,439</b>	32,430
<b>Effect of foreign exchange rate changes</b>	<b>336</b>	100
<b>Cash and cash equivalents at end of the period</b>	<b>23,372</b>	20,902

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

SG Group Holdings Limited (the “Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 8 October 2015. The ordinary shares (“Shares”) of the Company was listed on GEM of The Stock Exchange of Hong Kong Limited in 2017. On 20 March 2020, the Shares of the Company transferred and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In the opinion of the directors, the immediate and ultimate holding company is JC Fashion International Group Limited which was incorporated in the British Virgin Islands (“BVI”). Its ultimate controlling party is Mr. Choi King Ting Charles (“Mr. Charles Choi”) who is also a director and the chief executive of the Company.

The registered office of the Company is situated at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The address of the head office and the principal place of business of the Company is Unit B, 9/F., Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of institutional catering.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currency of the Company, being United States dollars (“US\$”). The directors of the Company consider that presenting the financial information in HK\$ is preferable as the principal place of business of the Company and its principal subsidiaries are in Hong Kong.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). Besides, the condensed consolidation financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated financial statements have been prepared under the historical cost convention.

## 3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period**

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 May 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on supply of apparel products and provision of institutional catering.

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision makers (the “CODM”), which are used to make strategic decisions for the purposes of resource allocation and assessment of segment performance. The Group mainly sells apparel products with designing and sourcing services to fast fashion clothing retailers and provides institutional catering.

For the period ended 31 October 2025, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. The Group combined the online fashion retailers segment with fashion retailers segment. With more fashion retailers started to trade on the online platform, the CODM started to make strategic decision for all fashion retails as a whole. Prior period segment disclosure have been represented to conform with the current period’s presentation.

The details of the Group’s of the reportable segment are as follows:

- |       |  |   |
|-------|--|---|
| (i)   | Supply of Apparel Products – Traditional | Supply of branded label apparel products with designing and sourcing services to fashion retailers.   |
| (ii)  | Supply of Apparel Products – New Retail  | Supply of both branded label and influencer collaboration label apparel products with designing and sourcing services to fashion retailers. |
| (iii) | Provision of institutional catering      | Provision of institutional catering to private institution.   |

The operating segment also represent the Group’s reportable segment.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results

For the six months ended 31 October 2025

	Supply of Apparel Products – Traditional HK\$'000 (unaudited)	Supply of Apparel Products – New Retail HK\$'000 (unaudited)	Institutional catering HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Segment revenue				
Supply of Apparel Products				
Womenswear	47,012	19,712	–	66,724
Childrenswear	8,134	–	–	8,134
Menswear	115	–	–	115
	55,261	19,712	–	74,973
Institutional catering	–	–	5,933	5,933
	55,261	19,712	5,933	80,906
Segment (loss) profit	(2,715)	(4,623)	2,311	(5,027)
Unallocated income				144
Unallocated gains and losses				91
Unallocated expenses				(1,009)
Loss before tax				(5,801)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (continued)

For the six months ended 31 October 2024

	Supply of Apparel Products – Traditional HK\$'000 (unaudited)	Supply of Apparel Products – New Retail HK\$'000 (unaudited)	Institutional catering HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Segment revenue				
Supply of Apparel Products				
Womenswear	33,355	17,705	–	51,060
Childrenswear	7,624	–	–	7,624
Menswear	–	650	–	650
	40,979	18,355	–	59,334
Institutional catering	–	–	5,059	5,059
	40,979	18,355	5,059	64,393
Segment (loss) profit	(3,456)	(4,729)	334	(7,851)
Unallocated income				129
Unallocated gains and losses				(348)
Unallocated expenses				(1,051)
Loss before tax				(9,121)

Segment profit/loss represents the profit/loss earned/incurred by segment without allocation of unallocated expenses and income mainly including certain depreciation on property, plant and equipment, depreciation on investment properties, net unrealised loss on financial assets at FVTPL, general office expenses, selling and distribution expenses, finance costs and net exchange gains. This is consistent with the measure reported to the CODMs of the Group for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for both periods.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Revenue by type of products

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
At a point in time:		
Supply of apparel products		
Womenswear	66,724	51,060
Childrenswear	8,134	7,624
Menswear	115	650
Institutional catering	5,933	5,059
	<b>80,906</b>	<b>64,393</b>

Revenue from the supply apparel products is recognised at a point in time, when control of the goods has transferred, being when the goods have been shipped to the designated location (delivery) and the control has passed to the customers.

Revenue from provision of institutional catering is recognised at point in time when services have been provided to customers.

### Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. OTHER GAINS, NET

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Net exchange gains	84	404

## 6. LOSS BEFORE TAX

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Loss before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	1,036	1,186
Depreciation of right-of-use assets	441	527
Depreciation of investment properties	54	71
Amortisation of intangible assets	514	817
Finance costs (Note)	383	116

Note: Included in the finance costs, a bank interest expense on the bank borrowings amounted to HK\$40,000 (2024: HK\$73,000) is incurred. There is one (2024: two) bank borrowings for the Group, both are guaranteed by Mr. Choi King Ting, Charles (2024: both are guaranteed by Mr. Choi King Ting, Charles). The remaining is interest on lease liabilities amounted to HK\$22,000 (2024: HK\$43,000) and interest on other borrowings amounted to HK\$321,000 (2024: Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. INCOME TAX CREDIT

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current tax		
Hong Kong Profits Tax	28	–
The PRC Enterprise Income Tax (the “EIT”)	–	–
UK Corporate Tax	41	35
	69	35
Underprovision in prior years:		
Hong Kong	13	13
	82	48
Deferred tax credit	(85)	(135)
	(3)	(87)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The PRC EIT is calculated based on the statutory rate of 25% of the assessable profit of subsidiaries established in the PRC, as determined in accordance with the relevant enterprise income law, implementation rules and notices in the PRC.

The United Kingdom (the “UK”) Corporate Tax is calculated at 19% of the taxable profits of subsidiary established in UK.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 8. DIVIDEND

No dividend was paid or proposed for the ordinary shareholders of the Company during the six months ended 31 October 2025 (for the six months ended 31 October 2024: Nil), nor has any dividend been proposed since the end of the reporting period.

## 9. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	Six months ended 31 October	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>Loss:</b>		
Loss for the purpose of calculating basic loss per share loss for the period	(5,798)	(9,034)
	'000	'000
<b>Number of shares:</b>		
Number of ordinary shares for the purpose of calculating basic loss per share	32,000	32,000

No diluted loss per share for both periods was presented as there were no potential ordinary shares in issue for both periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 October 2025, additions to property, plant and equipment, which mainly comprised additions to fixture and furniture, amounted to HK\$81,000 (for the six months ended 31 October 2024: mainly comprised additions to catering equipment of HK\$13,000).

## 11. TRADE AND OTHER RECEIVABLES

	31 October 2025 HK\$'000 (unaudited)	30 April 2025 HK\$'000 (audited)
Trade receivables	31,263	44,387
Less: allowance for credit losses	(5,046)	(5,004)
	<b>26,217</b>	<b>39,383</b>
Other receivables		
– Deposits and prepayments	3,728	2,127
– Prepayment to suppliers	15,299	20,906
– Value-added tax receivables	2,040	1,805
– Others	1,536	1,273
	<b>22,603</b>	<b>26,111</b>
Total trade and other receivables	<b>48,820</b>	<b>65,494</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. TRADE AND OTHER RECEIVABLES (CONTINUED)

For customers with good credit quality and payment history, the Group allows credit periods of no longer than 90 days (30 April 2025: 90 days). For other customers, the Group requests an advance deposit payment and demands for full settlement upon delivery of the goods.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of the reporting period, which approximates the revenue recognition dates:

	<b>31 October 2025 HK\$'000 (unaudited)</b>	<b>30 April 2025 HK\$'000 (audited)</b>
Within 60 days	<b>17,978</b>	26,640
61 to 180 days	<b>8,131</b>	12,391
181 to 365 days	<b>108</b>	35
Over 365 days	<b>–</b>	317
	<b>26,217</b>	39,383

The management of the Group closely monitors the credit quality of trade receivables and considers the debts that are neither past due nor impaired are of a good credit quality. Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit rating limits for each customer. Limits attributed to customers are reviewed once a year. Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no history of default.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER PAYABLES

	31 October 2025 HK\$'000 (unaudited)	30 April 2025 HK\$'000 (audited)
Trade payables	10,945	12,284
Other payables	2,544	2,247
Accrued expenses	2,267	2,446
Total trade and other payables	15,756	16,977

The credit period of trade payables ranges from 30 to 90 days for both period/year.

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period.

	31 October 2025 HK\$'000 (unaudited)	30 April 2025 HK\$'000 (audited)
Within 60 days	8,992	11,919
61 to 180 days	1,841	224
181 to 365 days	35	64
Over 365 days	77	77
	10,945	12,284

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. BANK BORROWINGS

During the six months ended 31 October 2025, no new bank borrowing was raised by the Group (for the year ended 30 April 2025: Nil). For the current bank borrowing of the Group which was used as general working capital. The bank borrowing bears variable interest at market rates and repayable on demand and secured by personal guarantee of Mr. Choi King Ting, Charles.

## 14. OTHER BORROWINGS

During the six months ended 31 October 2025, the other borrowings were fully repaid by the Group, no outstanding balance for other borrowings at the end of the period. The interest rate is 12% per annum and the interest expenses included in finance costs disclosed in note 6.

## 15. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company are as follow:

	Number of shares	Share capital HK\$
Ordinary share of HK\$0.01 each		
<b>Authorised:</b>		
At 1 May 2024, 31 October 2024, 1 May 2025 and 31 October 2025	200,000,000	2,000,000
<b>Issued and fully paid:</b>		
At 1 May 2024 (audited), 31 October 2024 (unaudited), 1 May 2025 (audited) and 31 October 2025 (unaudited)	32,000,000	320,000

There were no changes in both periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16. RELATED PARTY DISCLOSURES

In addition to the transactions, balances and commitments disclosed elsewhere in the condensed consolidated financial statements, the Group had entered into the following related party transactions:

			Six months ended 31 October	
(i)	Relationships	Nature of balances/ transactions	2025	2024
			HK\$'000 (unaudited)	HK\$'000 (unaudited)
	Director	Disposal of a subsidiary	1	–
	Related company A	Purchases of ingredients and beverage	2,996	374
		Supply chain management services	–	338
	Related company B	Supply chain management services	610	–

### (ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 31 October	
	2025	2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Salaries and allowances	1,428	1,388
Retirement benefit schemes contributions	45	45
	1,473	1,433