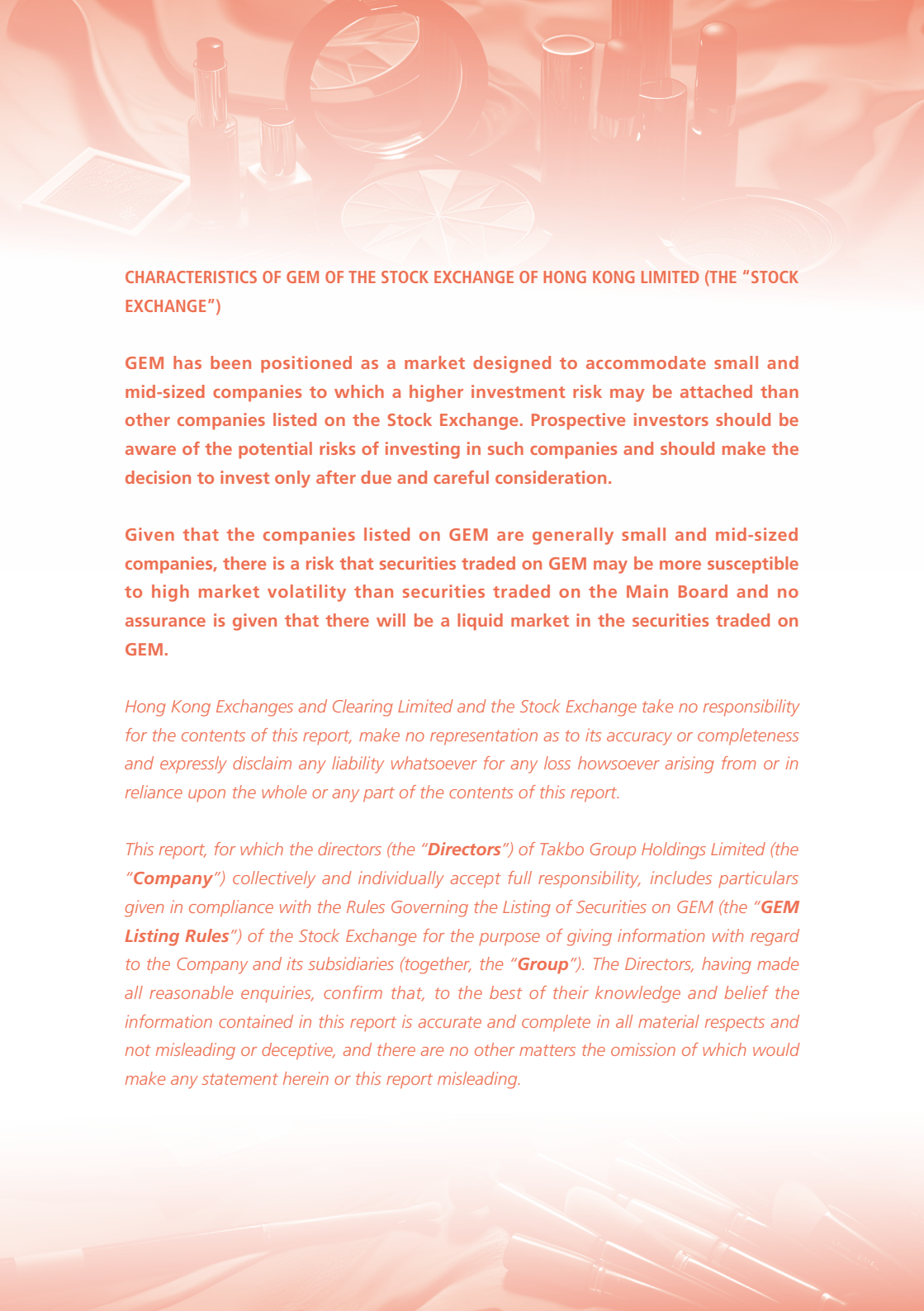






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*This report, for which the directors (the “**Directors**”) of Takbo Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Or Naam (*Chief Executive Officer*)
Ms. Chan Hoi Yan Polly
Mr. Or Huen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tan Chong Huat (*Chairman*)
Mr. Sung Chi Keung
Mr. Hui Ha Lam

AUDIT COMMITTEE

Mr. Sung Chi Keung (*Chairman*)
Mr. Tan Chong Huat
Mr. Hui Ha Lam

REMUNERATION COMMITTEE

Mr. Tan Chong Huat (*Chairman*)
Mr. Sung Chi Keung
Mr. Or Naam

NOMINATION COMMITTEE

Mr. Hui Ha Lam (*Chairman*)
Mr. Sung Chi Keung
Mr. Or Huen

COMPANY SECRETARY

Ms. Wong Yuen Ki

AUTHORIZED REPRESENTATIVES

Mr. Or Naam
Ms. Chan Hoi Yan Polly

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 22/F, EGL Tower
83 Hung To Road, Kwun Tong
Kowloon, Hong Kong

INDEPENDENT AUDITOR

BDO Limited
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
Hong Kong

Corporate Information

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Hong Kong

Nanyang Commercial Bank Limited
151 Des Voeux Road Central
Central
Hong Kong

STOCK CODE

8436

COMPANY WEBSITE

www.takbogroup.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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



Financial Highlights

Revenue of the Group for the six months ended 30 June 2025 (the “**Current Period**”) amounted to approximately HK\$68.3 million, representing a decrease of approximately 11.5% over the six months ended 30 June 2024 (the “**Previous Period**”).

Gross profit of the Group for the Current Period amounted to approximately HK\$24.3 million, representing a decrease of approximately 12.6% over the Previous Period.

Gross profit margin of the Group for the Current Period decreased from approximately 36% for the Previous Period to approximately 35.5% for the Current Period.

Profit attributable to equity holders of the Company for the Current Period amounted to approximately HK\$3.3 million, a decrease from approximately HK\$5.2 million for the Previous Period.

Profit per share for the Current Period was approximately HK0.84 cent, as compared to approximately HK1.31 cent for the Previous Period.

The Board does not recommend the payment of any interim dividend for the Current Period (Previous Period: Nil).

Unaudited Financial Results

The board (the “**Board**”) of directors (the “**Directors**”) of Takbo Group Holdings Limited (the “**Company**” together with its subsidiaries (the “**Group**”)) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025, which has been reviewed by the audit committee of the Company, together with the comparative unaudited figures for the corresponding period in 2024, are as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	3	68,251	77,080
Cost of sales		(44,000)	(49,325)
Gross profit		24,251	27,755
Other income		129	660
Other gains, net		641	309
Administrative expenses		(18,362)	(17,130)
Selling and distribution expenses		(5,284)	(7,260)
Operating profit		1,375	4,334
Finance income		2,875	2,602
Finance cost		(138)	(179)
Finance income/(cost), net	4	2,737	2,423



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit before income tax	5	4,112	6,757
Income tax expense	6	(765)	(1,532)
Profit for the period attributable to owners of the Company		3,347	5,225
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		2,129	–
Total comprehensive profit for the period attributable to owners of the Company		5,476	5,225
Profit per share			
Basic and diluted (in HK cents)	8	0.84	1.31

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	33,986	32,124
Intangible asset		368	320
Right-of-use assets	9	6,994	9,170
Prepayments and deposit		2,274	4,333
Deposit and prepayments for a life insurance policy		4,589	4,589
Deferred income tax assets		1,456	1,471
		49,667	52,007
Current assets			
Inventories		5,192	2,233
Trade and bills receivables	10	29,232	18,872
Prepayments, deposits and other receivables		9,341	7,109
Amount due from a related party		–	191
Income tax recoverable		516	516
Financial assets at fair value through profit or loss		2,276	1,740
Time deposits		–	18,994
Cash and cash equivalents		182,244	175,131
		228,801	224,786
Total assets		278,468	276,793
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	4,000	4,000
Share premium		56,188	56,188
Other reserves		538	(1,591)
Retained earnings		185,445	182,098
		246,171	240,695

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Provision		251	251
Lease liabilities		3,369	5,461
		3,620	5,712
Current liabilities			
Trade payables	11	13,574	10,464
Contract liabilities		4,796	5,284
Lease liabilities		4,000	4,104
Accruals, provision and other payables		5,403	10,479
Amount due to related parties		19	–
Current income tax liabilities		885	55
		28,677	30,386
Total liabilities		32,297	36,098
Total equity and liabilities		278,468	276,793

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital and other reserves HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	
At 1 January 2025 (audited)	4,000	56,188	46	3,774	(5,411)	182,098	240,695
Profit for the period	–	–	–	–	–	3,347	3,347
Other comprehensive income	–	–	–	–	2,129	–	2,129
Total comprehensive profit for the period	–	–	–	–	2,129	3,347	5,476
At 30 June 2025 (unaudited)	4,000	56,188	46	3,774	(3,282)	185,445	246,171
At 1 January 2024 (audited)	4,000	56,188	46	3,774	(2,703)	175,620	236,925
Profit for the period	–	–	–	–	–	5,225	5,225
Other comprehensive income	–	–	–	–	(1,912)	–	(1,912)
Total comprehensive profit for the period	–	–	–	–	(1,912)	5,225	3,313
At 30 June 2024 (unaudited)	4,000	56,188	46	3,774	(4,615)	180,845	240,238

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cash used in operations	(14,408)	(21,132)
Income tax paid	65	(2,020)
Net cash used in operating activities	(14,343)	(23,152)
Net cash generated from investing activities	20,313	8,918
Net cash used in financing activities	(1,392)	(810)
Net increase/(decrease) in cash and cash equivalents	4,578	(15,044)
Cash and cash equivalents at 1 January	175,131	186,971
Effect of exchange rate changes on cash and cash equivalents	2,535	(1,544)
Cash and cash equivalents at 30 June represented by bank balances, deposits and cash	182,244	170,383

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Unaudited Condensed Consolidated Financial Information

1. CORPORATE INFORMATION

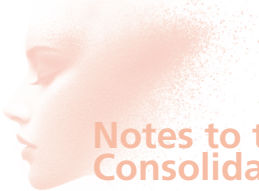
The Company was incorporated in the Cayman Islands on 8 February 2017 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the design, development, manufacture and sale of beauty products, and the design, development and sale of beauty bags.

The ultimate controlling parties of the Company are Mr. Or Naam, Ms. Chu Siu Fong ("**Ms. Chu**") and Ms. Chan Hoi Yan Polly ("**Ms. Chan**") (collectively, the "**Controlling Shareholders**"). The ultimate holding company of the Company is Classic Charm Investments Limited ("**Classic Charm**").

The shares of the Company were listed on GEM of the Stock Exchange on 27 October 2017.

The unaudited condensed consolidated financial information for the six months ended 30 June 2025 have not been audited by the Company's auditor but have been reviewed by the audit committee of the Company ("**Audit Committee**").



Notes to the Unaudited Condensed Consolidated Financial Information

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial statement for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The unaudited condensed consolidated financial statement does not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s annual report for the year ended 31 December 2024.

The unaudited condensed consolidated financial information has been prepared under the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate. All amounts are presented in Hong Kong dollar thousand (“**HK\$’000**”) in this unaudited condensed consolidated financial information unless otherwise stated.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial information for the six months ended 30 June 2025 are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

The Group has not applied the new HKFRSs that have been issued but are not yet effective, and is in the process of assessing their impact on the Group’s results and financial position.

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group is principally engaged in the design, development, manufacture and sale of beauty products, and the design, development and sale of beauty bags. Revenue recognised during the Current Period analysed by type of products is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue		
Sales of beauty products	55,546	56,876
Sales of beauty bags	12,705	20,205
	68,251	77,081

(b) Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision-maker is identified as the executive directors of the Company. The executive directors consider the business from a product perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the chief operating decision-maker. These reports are prepared on the same basis as this condensed consolidated financial information.

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

The management has identified two operating segments based on the types of goods, namely (i) design, development, manufacture and sale of beauty products and (ii) design, development and sale of beauty bags.

The segment information provided to the executive directors are as follows:

	Design, development, manufacture and sale of beauty products HK\$'000	Design, development and sale of beauty bags HK\$'000	Total HK\$'000
For the six months ended 30 June 2025 (Unaudited)			
Segment revenue from external customers	55,546	12,705	68,251
Cost of sales	(33,917)	(10,083)	(44,000)
Gross profit	21,629	2,622	24,251
Other income			129
Other gains, net			641
Administrative expenses			(18,362)
Selling and distribution expenses			(5,284)
Finance income			2,875
Finance cost			(138)
Profit before income tax			4,112
Income tax expense			(765)
Profit for the period			3,347

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

	Design, development, manufacture and sale of beauty products HK\$'000	Design, development and sale of beauty bags HK\$'000	Total HK\$'000
For the six months ended 30 June 2024 (Unaudited)			
Segment revenue from external customers	56,876	20,205	77,081
Cost of sales	(34,784)	(14,542)	(49,326)
Gross profit	22,092	5,663	27,755
Other income			660
Other gains, net			309
Administrative expenses			(17,130)
Selling and distribution expenses			(7,260)
Finance income			2,602
Finance cost			(179)
Profit before income tax			6,757
Income tax expense			(1,532)
Profit for the period			5,225

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A (Design, development, manufacture and sale of beauty products and design, development and sales of beauty bags)	9,625	15,338
Customer B (Design, development, manufacture and sales of beauty products)	19,385	19,350
Customer C (Design, development, manufacture and sales of beauty products)	727	4,367
Customer D (Design, development, manufacture and sales of beauty products)	20,965	19,193
Customer E (Design, development, manufacture and sales of beauty products and design, development, and sales of beauty bags)	4,019	7,408

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (Continued)

The Company is domiciled in the Cayman Islands. All non-current assets, other than deferred income tax assets of the Group as at 30 June 2025 are located in Hong Kong amounted to approximately HK\$8 million (As at 31 December 2024: HK\$10 million) and the PRC amounted to approximately HK\$40 million (As at 31 December 2024: HK\$41 million).

(c) Geographical information

Revenue from external customers by country, based on the location to which the goods were delivered:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
UK and Europe	44,107	43,587
US	22,182	29,082
Other	1,962	4,412
	68,251	77,081

Notes to the Unaudited Condensed Consolidated Financial Information

4. FINANCE INCOME/(COST), NET

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Finance income		
Bank interest income	2,875	2,602
Finance cost		
Finance cost related to leases	(138)	(179)
Finance income/(cost), net	2,737	2,423

Notes to the Unaudited Condensed Consolidated Financial Information

5. PROFIT/(LOSS) BEFORE INCOME TAX FOR THE PERIOD

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging/(crediting):		
Amortisation of intangible assets	56	44
Depreciation of property, plant and equipment	536	554
Rental expense – depreciation of right-of-use assets	677	641
Other income – sample income	(1)	(5)
Other income – others, net	(128)	(655)
Other losses/(gains) – exchange losses/(gains)	(105)	366
Other losses/(gains) – fair value losses/(gains) on financial assets at fair value through profit or loss	(536)	(57)

Notes to the Unaudited Condensed Consolidated Financial Information

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
The (credit)/charge comprises:		
Current income tax		
Hong Kong	615	1,532
PRC	150	—
Deferred tax	—	—
	765	1,532

Hong Kong profits tax has been provided at the rate of 16.5% (Previous Period: 16.5%) on the estimated assessable profit for the Current Period. Corporate income tax on profits from a subsidiary operating in Mainland China have been calculated at 25% (Previous Period: 25%) in accordance with the relevant Mainland China tax laws and regulations, except that Cosbe Laboratory Inc., a wholly owned subsidiary, was granted the High and New Technology Enterprise status in December 2022, being valid for 3 years, and therefore it is entitled to a preferential tax rate of 15%. No overseas profits tax has been calculated for subsidiaries of the Group that are incorporated in the British Virgin Islands or the Cayman Islands as they have no assessable income (Previous Period: Nil).

Notes to the Unaudited Condensed Consolidated Financial Information

7. DIVIDENDS

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

8. PROFIT/(LOSS) PER SHARE

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

Diluted profit/(loss) per share is of the same amount as the basic profit/(loss) per share as there were no potentially dilutive ordinary share outstanding as at 30 June 2025 and 2024.

9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

The Group did not have additions of property, plant and equipment nor right-of-use assets during the six months ended 30 June 2025 (2024: Nil).

Notes to the Unaudited Condensed Consolidated Financial Information

10. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables	35,790	25,674
Less: loss allowance	(6,558)	(6,802)
	29,232	18,872

Trade and bills receivables represent income receivable from customers. The credit terms granted by the Group generally ranged between 30 to 120 days (2024: 30 to 120 days).

Notes to the Unaudited Condensed Consolidated Financial Information

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 30 June 2025 and 31 December 2024, the ageing analysis of trade and bills receivables based on invoice date is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0 to 90 days	28,911	17,441
91 to 180 days	24	1,712
181 to 365 days	361	318
Over 365 days	6,494	6,203
	35,790	25,674

The carrying amounts of trade receivables approximate their fair value as at 30 June 2025 and 31 December 2024.

Notes to the Unaudited Condensed Consolidated Financial Information

11. TRADE PAYABLES

As at 30 June 2025 and 31 December 2024, the ageing analysis of trade payables presented based on the invoice date are as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0 to 90 days	11,685	8,234
91 to 180 days	754	1,576
181 to 365 days	454	88
Over 365 days	681	566
	13,574	10,464

12. SHARE CAPITAL

	As at 30 June 2025		As at 31 December 2024	
	Number of shares (Unaudited)	Value HK\$'000 (Unaudited)	Number of shares (Audited)	Value HK\$'000 (Audited)
Authorised:				
Ordinary shares at HK\$0.01 each	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid	400,000,000	4,000	400,000,000	4,000

Notes to the Unaudited Condensed Consolidated Financial Information

13. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Property, plant and equipment	1,834	2,137

14. RELATED PARTY TRANSACTIONS

The Group is controlled by Classic Charm (incorporated in British Virgin Islands), which is ultimate holding company of the Group.

The directors of the Group are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the reporting period:

Name of related party	Relationship with the Group
Smart Path Development Limited	Controlled by Mr. Or Naam and Ms. Chan
Shantou Baoma Processing Complex Company Limited [#] (汕頭寶馬工藝製品廠有限公司)	Controlled by Ms. Chu and Mr. Or Tak Ming, spouse of Ms. Chu

[#] The English name is for identification purpose only.

Notes to the Unaudited Condensed Consolidated Financial Information

14. RELATED PARTY TRANSACTIONS (CONTINUED)

Other than those transactions and balances disclosed elsewhere in these unaudited condensed consolidated financial information, the following transactions were carried out with related parties during the periods ended 30 June 2025 and 2024:

(a) Transactions with related parties

The following transactions were undertaken by the Group with relate parties during the reporting period:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Shantou Baoma Processing Complex Company Limited		
– Purchases	403	146
– Utility expenses	578	603
– Rental expenses	1,311	1,177
Smart Path Development Limited		
– Rental expenses	606	635

All of the above transactions with related parties were conducted based on the terms mutually agreed between the relevant parties.

Notes to the Unaudited Condensed Consolidated Financial Information

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

Key management personnel are deemed to be the members of the executive directors of the Company who have responsibility for the planning, directing and controlling the activities of the Group.

The compensation paid or payable to key management personnel for employee services period is shown below:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries and bonuses	4,252	4,251
Other allowances and benefits in kind	1,069	1,120
Defined contribution pension costs	27	27
	5,348	5,398



Management Discussion and Analysis

MARKET AND BUSINESS OVERVIEW

The Group is principally engaged in (i) the design, development, manufacture and sale of beauty products; and (ii) the design, development and sale of beauty bags. The core business and revenue structure of the Group has remained unchanged during the Current Period.

Global business environment is impacted by the tariffs initiated by the US, but the Group remains dedicated in getting through the bad times with all of its employees by adopting defensive strategies, striving to strike a balance between maintaining a healthy financial position and preparing for future development.

During the Current Period, the Group maintained our sales activities under changing business environment. Our management and sales teams did more proactively communication ahead with overseas customers for needs and product demand.

PROSPECT

Looking forward, the Directors consider the global environment remains uncertain and challenging. After having a clear picture of how US tariffs impact the industry and supply chains, the Group will devise strategies of the US market. Meanwhile, the Group will continue to focus its efforts in creating innovative products and expanding reach to new geographical locations, in particular European market. Amid this turbulent times, the Group has continued to streamline operations and to minimise operating costs.

Management Discussion and Analysis

FINANCIAL REVIEW

The following table sets out a breakdown of revenue of the Group and the percentage contribution to total revenue by product category for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Beauty products	55,546	81.38	56,876	73.8
Beauty bags	12,705	18.62	20,205	26.2
Total	68,251	100.0	77,081	100.0

Revenue by Regions

	For the six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
UK and Europe	44,107	64.6	43,587	56.5
US	22,182	32.5	29,082	37.7
Others	1,962	2.9	4,412	5.8
Total	68,251	100.0	77,081	100.0

The Group's revenue for the Current Period amounted to approximately HK\$68.3 million, representing a decrease of approximately 11.5% over the Previous Period. The drop is mainly attributable to the US market impacted by import tariffs imposed by the US on products manufactured in China several years ago. It took time for some US customers to shift purchases from the Group to non-Chinese suppliers. The situation was compounded by the additional tariffs initiated by the US early this year.



Management Discussion and Analysis

The gross profit of the Group for the Current Period amounted to approximately HK\$24.3 million, representing a decrease of approximately 12.6% as compared with the Previous Period of approximately HK\$27.8 million. The gross profit margin of the Group slightly decreased from 36% for the Previous Period to approximately 35.5% for the Current Period.

The administrative expenses of the Group increased slightly from approximately HK\$17.1 million for the Previous Period to approximately HK\$18.4 million for the Current Period.

In line with sales decrease, the selling and distribution expenses of the Group decreased by approximately 27.2% from approximately HK\$7.3 million for the Previous Period to approximately HK\$5.3 million of the Current Period.

Profit attributable to equity holders of the Company for the Current Period amounted to approximately HK\$3.3 million, as compared to approximately HK\$5.2 million for the Previous Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group practiced prudent financial management and maintained a strong and sound financial position to withstand the market with ample uncertainties during the Current Period. The Group finances its daily operations through a combination of funds generated and received from operations and retained earnings. As of 30 June 2025, the Group had cash and cash equivalents of approximately HK\$182.2 million (31 December 2024: approximately HK\$175.1 million) mainly denominated in United States dollars ("**USD**").

The current ratio, calculated as the total current assets divided by total current liabilities, was approximately 7.8 times as at 30 June 2025 (31 December 2024: approximately 7.4 times). As at 30 June 2025, the Group did not have any outstanding borrowing and other indebtedness and no gearing ratio is presented.

Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and the PRC and is exposed to foreign exchange risk, primarily with respect to USD and Chinese Renminbi (“**RMB**”) denominated transactions arising from the sales of beauty products and bags to customers in the USA and Europe and purchases from suppliers in the PRC. The Directors are of the opinion that the foreign exchange risk arising from USD against RMB of the Group is manageable.

During the Current Period, the Group has not entered into any agreement or commit to any financial instruments to hedge our exchange rate exposure relating to RMB and will continue to monitor its foreign exchange exposure. The Group will consider hedging significant foreign currency exposure should the need arises and no derivative financial instruments were held by the Group as at 30 June 2025 for speculative and investment purposes.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil). The Group also had no capital commitment as at 30 June 2025 (31 December 2024: Nil) and there was no operating leases as at 30 June 2025 (31 December 2024: Nil).

PLEDGE OF ASSETS

The Group did not have pledged assets as at 30 June 2025 (31 December 2024: Nil).

CAPITAL STRUCTURE

During the Current Period, there has been no change on the shares in issue and capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserve. The Group finances its operations, working capital, capital expenditures and other liquidity requirements through a combination of funds generated and received from operations, retained earnings and net proceeds from the share offer.



Management Discussion and Analysis

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Current Period (Previous Period: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

The Group did not have any other plans for material investment and capital assets as at 30 June 2025.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2025, the Group did not have any significant investment in equity interest in any other company and did not own any properties (31 December 2024: Nil).

SECURITIES INVESTMENTS

The Group did not have any securities investment in any investee company with a value of 5% or more of the total assets of the Group as at 30 June 2025, which is required to be disclosed under Rule 18.41(4A) of the GEM Listing Rules.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Period.

GUARANTEE PERFORMANCE IN RELATION TO THE ACQUISITIONS

The Group did not enter into any acquisition, which is required to be disclosed under the GEM Listing Rules, that the party in contract required to commit or guarantee on the financial performance in any kinds for the Current Period.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 166 full-time employees in Hong Kong and the PRC (31 December 2024: 161 employees), including the Directors. Total staff costs (including Directors' emoluments) were approximately HK\$15 million for the Current Period as compared to approximately HK\$14.2 million for the Previous Period. Such increase was mainly due to salary increments.

Remuneration is determined with reference to duties, responsibilities, experience and skills. On top of basic salaries, the Group provides discretionary bonuses to our senior management and key employees as incentive bonuses.



Supplementary Information

PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties are summarized below:

The business performance of our customers could underperform due to a number of factors, such as changes in business strategies, failure to develop successful marketing strategies, changes in the market demand for our customers' products and adverse market or economic conditions in the markets in which our customers operate, in particular, the US and Europe. If the business performance of our customers deteriorates, they could reduce the amount of their purchases for our products, or terminate their business relationship from us, which could have a material and adverse impact on our business, financial condition, results of operations and prospect.

The Group's products are produced in China and partly exported to the US market. The weakening of the Sino-US relationship has hindered business growth. Any further increase in tariff for our products exported to US will increase our costs. There is no assurance that we can negotiate with brand customers and trading companies for a sharing of the extra tariff.

Any shortage in labour, increase in labour costs, strikes, labour unrests or other adverse factors affecting our labour force may have a material adverse effect on our business operations.

Supplementary Information

If we expand our production capabilities and capacities, we will require more production personnel. There is no assurance that we will not experience any shortage of labour for our production. Given the economic growth in the PRC, competition for labour is substantial and labour costs have been increasing generally, and we cannot assure that we can retain and attract sufficient qualified employees and/or on commercially reasonable terms in the future. If we fail to retain and attract sufficient labour, we may not be able to effectively implement our expansion plans, our business, financial conditions and results of operations would be materially and adversely affected. The economic, political and social conditions in the PRC, as well as government policies, laws and regulations, could affect our business, financial condition and results of operations. The Group maintained substantial amount of business assets and operations in the PRC. Accordingly, our results of operations are subject to economic, political and legal developments in the PRC. Any changes in its regulations will definitely affect our business in the regional segment.

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme ("**Share Option Scheme**"), which was approved by written resolutions passed by its sole Shareholder on 29 September 2017 and became unconditional on 27 October 2017. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. As of the date of this report, there is only one share option scheme.

The purpose of the Share Option Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons, namely directors, employees, consultants, advisers, any provider of goods and/or services to the Group; any customer of the Group and any person, who at the sole discretion of the Board, has contributed to the Group, and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.



Supplementary Information

Pursuant to the Share Option Scheme, the Company may grant options to eligible persons to subscribe shares of the Company until any inside information has been announced, if any.

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than ten Business Days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme. The amount payable by the grantee to our Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

Unless the Company obtains a fresh approval from the shareholders pursuant to the conditions set out in the Share Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes shall not in aggregate exceed 10% of the total number of shares in issue from time to time. As at the date of this report, the number of issued Shares of the Company is 400,000,000 shares and total number of shares issued or to be issued under the Share Option Scheme of the Company is 40,000,000 shares which represented approximately 10% (2024: 10%) of the issued share capital of the Company, if all the options under the Share Option Scheme have been granted to and duly exercised by eligible persons.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to an eligible person would result in excess of such limit shall be subject to the approval of the shareholders at general meeting with such eligible person and his close associates (or his associates if the eligible person is a connected person) abstaining from voting.

Supplementary Information

Where options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of our Company and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the Shareholders at general meeting. The grantee involved in such proposed grant of options, his associates and all core connected persons of our Company must abstain from voting in such general meeting (except that any such persons may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders).

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption to 28 September 2027, after which period no further options will be granted or offered.

The share options are exercisable at any time during period of not more than 10 years from the date of grant, subject to the terms and conditions of the Share Option Scheme, or any conditions stipulated by the Board of Directors.

The exercise price of the share option will be not less than the highest of:

- (a) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the offer date;
- (b) the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (c) the nominal value of a share on the offer date.



Supplementary Information

As at 30 June 2025, there was no option outstanding, granted, cancelled, exercised or lapsed. The number of the share options available for grant under the mandate limit of the Share Option Scheme as at 1 January 2025 and 30 June 2025 were 40,000,000.

Details of the principal terms of the Share Option Scheme are set out in paragraph headed “13. Share Option Scheme” in section headed “Statutory and General Information” in Appendix IV to the Prospectus of the Company.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the aforesaid Share Option Schemes, at no time during the six months ended 30 June 2025 was the Company or any associated corporation a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Supplementary Information

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2025, the interests or short positions of Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were 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 they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(I) Long Position in the Ordinary Shares and Underlying Shares of the Company

(i) Interests in the Company

Interests in ordinary shares

Name of directors	Personal interests	Family interests	Corporate interests	Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	% of the Company's issued voting shares
Mr. Or Naam ^{Note}	-	-	300,000,000	300,000,000	-	300,000,000	75.00%
Ms. Chan Hoi Yan Polly ^{Note}	-	-	300,000,000	300,000,000	-	300,000,000	75.00%

Note: The 300,000,000 shares are beneficially held by Classic Charm Investments Limited, which is legally and beneficially owned as to 50.8% by Mr. Or Naam, as to 39.7% by Ms. Chu Siu Fong and 9.5% by Ms. Chan Hoi Yan Polly. As Mr. Or Naam, Ms. Chu Siu Fong and Ms. Chan Hoi Yan Polly are parties acting in concert, they are deemed to be interested in 300,000,000 shares held by Classic Charm Investments Limited by virtue of the SFO.



Supplementary Information

Save as disclosed above, as at 30 June 2025, none of the directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of 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 standards of dealing by Directors as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the following persons/entities (not being Directors or chief executive of our Company) have an interest or a short position in the shares or the underlying shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

Long position in the ordinary shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares held	% of the Company's issued voting shares
Classic Charm Investments Limited	Beneficial owner	300,000,000	75.00%
Ms. Chu Siu Fong ^{Note}	Interest in controlled corporation	300,000,000	75.00%

Note: The 300,000,000 shares are beneficially held by Classic Charm Investments Limited, which is legally and beneficially owned as to 50.8% by Mr. Or Naam, as to 39.7% by Ms. Chu Siu Fong and 9.5% by Ms. Chan Hoi Yan Polly. As Mr. Or Naam, Ms. Chu Siu Fong and Ms. Chan Hoi Yan Polly are parties acting in concert, they are deemed to be interested in 300,000,000 shares held by Classic Charm Investments Limited by virtue of the SFO.

Supplementary Information

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

INTERESTS IN COMPETING BUSINESSES

Each of the Mr. Or Naam, Ms. Chan Hoi Yan Polly, Ms. Chu Siu Fong and Classic Charm (the “**Covenantor**”) entered into a deed of non-competition (the “**Deed of Non-competition**”) dated 29 September 2017 in favour of the Company, mainly to the effect that at any time the Covenantor individually or collectively with any other Covenantor(s) are interested, directly or indirectly, in 30% or more of the issued shares of the Company, any Covenantor and his/her/its close associates and any company directly or indirectly controlled by the Covenantor shall not, and shall procure their close associates not to carry on, engage in, invest or be interested or otherwise involved in any business that is similar to or in competition with or is likely to be in competition with any business carried on or contemplated to be carried on by any member of the Group from time to time or in which any member of our Group is engaged or has invested or is otherwise involved in or which any member of our Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement) in any territory that our Group carries on its business from time to time.

CONFLICT OF INTERESTS

Saved as disclosed above, during the six months ended 30 June 2025, none of the directors, the substantial shareholders or the controlling shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.



Supplementary Information

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2025, the Board considers that the Company has complied with all the provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules, save for the following:

Code Provision C.1.6

Under code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings. Our independent non-executive Directors, Mr. Tan Chong Huat (“**Mr. Tan**”), Mr. Hui Ha Lam (“**Mr. Hui**”) and Mr. Sung Chi Keung (“**Mr. Sung**”) had not attended the annual general meeting held on 9 May 2025 (“**2025 AGM**”). Mr. Tan, Mr. Hui and Mr. Sung had other important prior engagement at the same time.

Code Provision F.2.2

Under Code Provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Mr. Tan, the chairman of the Board, who stationed and worked in Singapore, did not attend the 2025 AGM due to his other important prior engagement at the same time.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the directors, its employees, and the directors and employees of its subsidiaries and holding companies, who may likely possess inside information on the Company or its securities, on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the six months ended 30 June 2025.

Supplementary Information

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

The Company is not aware of any changes in the Directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules as at 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the six months ended 30 June 2025. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares (including sale of treasury shares (defined under GEM Listing Rules)) for the six months ended 30 June 2025.

As at 30 June 2025, there were no treasury shares held by the Company.

AUDIT COMMITTEE

The Company established an audit committee on 29 September 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix C1 to the GEM Listing Rules. The revised terms of reference of the audit committee are available on the websites of the Company and the Stock Exchange.

As at the date of this report, the audit committee comprises three independent non-executive Directors, namely Mr. Sung Chi Keung (chairman), Mr. Tan Chong Huat and Mr. Hui Ha Lam. Its main responsibilities are to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting, risk management and internal control principles and procedures, and to make recommendations to the Board on the appointment and dismissal of the external auditor.

The audit committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing and financial reporting matters. The audit committee has discussed and reviewed the unaudited interim financial information and the interim report for the six months ended 30 June 2025.



Supplementary Information

CHANGES IN CONSTITUTIONAL DOCUMENT

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the websites of the Company and the Stock Exchange its Memorandum and Articles of Association. During the six months ended 30 June 2025, there has been no changes in the constitutional documents of the Company.

SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

Up to the date of this report and save as disclosed above, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the six months ended 30 June 2025.