



Hyfusin Group Holdings Limited

凱富善集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code : 8512

2025 Interim Report

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Hyfusin 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 of the Stock Exchange (the “**GEM Listing Rules**”) 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

### Board of Directors

### Executive Directors

Mr. Wong Wai Chit (*Chairman*)  
Mr. Wong Man Chit (*Chief Executive Officer*)  
Ms. Wong Wan Yan

### Independent Non-executive Directors

Mr. Chan Cheong Tat  
Mr. Ho Chi Wai  
Mr. Chu Kin Wang, Peleus

### Audit committee

Mr. Chan Cheong Tat (*Chairman*)  
Mr. Ho Chi Wai  
Mr. Chu Kin Wang, Peleus

### Remuneration committee

Mr. Chu Kin Wang, Peleus (*Chairman*)  
Mr. Chan Cheong Tat  
Mr. Ho Chi Wai

### Nomination committee

Mr. Ho Chi Wai (*Chairman*)  
Mr. Chan Cheong Tat  
Mr. Chu Kin Wang, Peleus  
Ms. Wong Wan Yan  
(*appointed on 20 June 2025*)

### Company secretary

Ms. Leung Shui Bing

### Authorized representatives

Mr. Wong Wai Chit  
Ms. Leung Shui Bing

### Compliance officer

Mr. Wong Wai Chit

### Registered office

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

**CORPORATE INFORMATION (CONTINUED)****Headquarters and principal place of business in Hong Kong**

Unit Nos.4–8, 2/F  
Aberdeen Marina Tower  
8 Shum Wan Road  
Aberdeen  
Hong Kong

**Company's website address**

<http://www.hyfusingroup.com>

**Principal share registrar and transfer office****Ocorian Trust (Cayman) Limited**

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

**Hong Kong branch share registrar and transfer office****Union Registrars Limited**

Suites 3301–04, 33/F  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

**CORPORATE INFORMATION (CONTINUED)****Principal bankers****Shanghai Commercial Bank Limited**

Shanghai Commercial Bank Tower  
12 Queen's Road Central  
Hong Kong

**DBS Bank (Hong Kong) Limited**

16/F, The Center  
99 Queen's Road, Central  
Hong Kong

**Shinhan Bank Vietnam**

Floor 9, Sonadezi Tower  
No.1, 1 Street, Bion Hoa IZ1  
Bien Hoa, Dong Nai  
Vietnam

**Public Bank Vietnam**

251 Pham Van Thuan Street  
Tan Mai Ward, Bien Hoa City, Dong Nai  
Vietnam

**Compliance Adviser****TC Capital International Limited**

Unit A2, 21/F  
OfficePlus @Mong Kok  
998 Canton Road, Mongkok  
Kowloon, Hong Kong

**Auditor****BDO Limited**

25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

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

*For the six months ended 30 June 2025*

		<b>Six months ended</b>	
	Notes	<b>30.6.2025 HK\$'000 (unaudited)</b>	30.6.2024 HK\$'000 (unaudited)
<b>Revenue</b>	3	<b>369,837</b>	406,237
Cost of sales		<b>(256,125)</b>	(238,441)
<b>Gross profit</b>		<b>113,712</b>	167,796
Other income	4	<b>7,068</b>	6,743
Other gains and losses, net	5	<b>3,991</b>	28,972
Selling and distribution expenses		<b>(16,684)</b>	(18,726)
Administrative expenses		<b>(48,557)</b>	(72,712)
Finance costs	6	<b>(4,404)</b>	(5,015)
Profit before income tax expense	8	<b>55,126</b>	107,058
Income tax expense	7	<b>(9,976)</b>	(12,506)
<b>Profit for the period attributable to the owners of the Company</b>		<b>45,150</b>	94,552
<b>Other comprehensive income/(expense) for the period</b>			
Items that may be classified subsequently to profit or loss:			
Fair value gain/(loss) on debt instruments measured at fair value through other comprehensive income		<b>5</b>	(34)
		<b>5</b>	(34)
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>45,155</b>	94,518
Earnings per share			
Basic and diluted ( <i>HK cents</i> )	11	<b>4.91</b>	9.15

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	168,924	142,093
Right-of-use assets		50,508	49,457
Deposits for the acquisition of property, plant and equipment		7,741	4,492
Debt instruments at fair value through other comprehensive income		895	889
Financial asset at fair value through profit or loss		3,295	3,251
Deferred tax assets		1,273	1,569
Pledged bank deposits	15	18,329	18,297
<b>Total non-current assets</b>		<b>250,965</b>	<b>220,048</b>
<b>CURRENT ASSETS</b>			
Inventories	13	129,667	105,476
Trade and other receivables	14	139,416	145,038
Restricted bank deposits	15	–	1,711
Bank balances and cash	15	338,232	324,514
<b>Total current assets</b>		<b>607,315</b>	<b>576,739</b>
<b>Total assets</b>		<b>858,280</b>	<b>796,787</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	120,356	116,636
Contract liabilities	17	678	5,637
Provision	18	–	3,880
Bank borrowings	19	28,874	5,073
Lease liabilities		2,433	1,643
Tax payable		5,649	7,013
<b>Total current liabilities</b>		<b>157,990</b>	<b>139,882</b>
<b>NET CURRENT ASSETS</b>		<b>449,325</b>	<b>436,857</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>700,290</b>	<b>656,905</b>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 30 June 2025*

	Notes	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings	19	5,433	7,657
Lease liabilities		2,537	2,053
Other non-current liabilities		193	223
<b>Total non-current liabilities</b>		<b>8,163</b>	<b>9,933</b>
<b>Total liabilities</b>		<b>166,153</b>	<b>149,815</b>
<b>NET ASSETS</b>		<b>692,127</b>	<b>646,972</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	20	9,185	9,185
Reserves		682,942	637,787
<b>TOTAL EQUITY</b>		<b>692,127</b>	<b>646,972</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 June 2025*

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Fair value through other comprehensive income ("FVTOCI") reserve HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2024 (audited)	11,000	54,954	(201)	20,605	419,212	505,570
Profit for the period	-	-	-	-	94,552	94,552
Other comprehensive income:						
Fair value loss on debt instruments through other comprehensive income	-	-	(34)	-	-	(34)
Share repurchased and cancelled	(1,815)	(28,185)	-	-	-	(30,000)
Total comprehensive income for the period	(1,815)	(28,185)	(34)	-	94,552	64,518
<b>As at 30 June 2024 (unaudited)</b>	9,185	26,769	(235)	20,605	513,764	570,088
At 1 January 2025 (audited)	9,185	26,769	(233)	20,605	590,646	646,972
Profit for the period	-	-	-	-	45,150	45,150
Other comprehensive income:						
Fair value gain on debt instruments through other comprehensive income	-	-	5	-	-	5
Total comprehensive income for the period	-	-	5	-	45,150	45,155
<b>As at 30 June 2025 (unaudited)</b>	9,185	26,769	(228)	20,605	635,796	692,127

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2025*

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>31,969</b>	(21,265)
<b>INVESTING ACTIVITIES</b>		
Interest income on debt instruments at FVTOCI	29	29
Bank interest income received	4,243	3,151
Purchase of property, plant and equipment	(31,791)	(45,786)
Deposits for acquisition of property, plant and equipment	(7,741)	(2,316)
(Placement)/release of pledged bank deposits	(32)	869
Proceeds from disposal of property, plant and equipment	383	–
Release of restricted bank deposits	1,711	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(33,198)</b>	(44,053)
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	30,084	12,326
Repayment of bank borrowings	(8,507)	(12,745)
Interest paid	(4,404)	(4,918)
Repayment of lease liabilities	(2,226)	(1,501)
Payment on repurchase of shares	–	(30,000)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>14,947</b>	(36,838)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>13,718</b>	(102,156)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>324,514</b>	336,772
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>338,232</b>	234,616
Represented by:		
Bank balances and cash	338,232	234,616

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

### 1. GENERAL AND BASIS OF PREPARATION

Hyfusin Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as amended, supplemented or otherwise modified from time to time) of the Cayman Islands on 5 July 2017. The shares of the Company (the “**Shares**”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 July 2018 (the “**Listing**”). Its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and principal place of business is located at Unit Nos. 4–8, 2/F, Aberdeen Marina Tower, 8 Shum Wan Road, Aberdeen, Hong Kong.

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in manufacturing and sale of candle products. Its parent and ultimate holding company is AVW International Limited (“**AVW**”), a private company incorporated in the British Virgin Islands. Its ultimate controlling shareholders are Mr. Wong Man Chit and Mr. Wong Wai Chit, who are brothers and act in concert over AVW and the companies now comprising the Group.

The functional currency of the Company and its subsidiaries is United States dollars (“**US\$**”) while the presentation currency of the condensed consolidated financial statements is Hong Kong dollars (“**HK\$**”) as the directors of the Company (the “**Directors**”) consider that HK\$ is preferable in presenting the operating results and financial position of the Group, which is more beneficial to the users of the consolidated financial statements.

The condensed consolidated financial statements of the Group have been prepared in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules.

The condensed consolidated financial statements of the Group have been prepared under the historical cost basis, except for certain financial instrument which have been measured at fair values.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)***For the six months ended 30 June 2025***2. CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual report for the year ended 31 December 2024, except for the following amendments to HKFRS Accounting Standards issued by the HKICPA that are adopted for the first time for the current accounting period of the Group:

Amendments to HKAS 21 and HKFRS 1      Lack of exchangeability

The adoption of the above amendments to HKFRS Accounting Standards has no material impact on the Group's results and financial position for the current or prior years. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**3. REVENUE AND SEGMENT INFORMATION**

**(i) Disaggregation of revenue from contracts with customers**

	<b>Six months ended</b>	
	<b>30.6.2025</b>	<b>30.6.2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Sale of candle products</b>		
Daily-use candles	48,356	54,734
Scented candles	268,851	274,948
Decorative candles	11,946	8,585
Others (including diffusers)	40,684	67,970
<b>Total</b>	<b>369,837</b>	<b>406,237</b>
<b>Timing of revenue recognition</b>		
At a point in time	369,837	406,237

The Group's market were department stores and buying agents headquartered in United States of America and United Kingdom.

The contracts for sales of goods to external customers are short-term and the contract prices are fixed and agreed with the customers.

**(ii) Performance obligations**

***Sale of candle products (revenue recognised at one point in time)***

The Group sells candle products to external customers in which the revenue is recognised when the control of the goods has transferred to the customers, being when the goods have been shipped to the external customers' specified location.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**3. REVENUE AND SEGMENT INFORMATION (Continued)**

**(iii) Transaction price allocated to the remaining performance obligation for contracts with customers**

All performance obligations for sale of candle products are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

***Segment information***

Information reported to the executive Directors, being the chief operating decision maker (“**CODM**”), regularly review revenue analysis by product type as set out in the revenue analysis above for the purpose of resource allocation and assessment of performance. However, other than revenue analysis, no operating results and other discrete financial information is regularly reviewed by the CODM for the purpose of resource allocation and assessment of performance of respective businesses. The CODM reviews the operating results (excluding listing expenses) of the Group as a whole to make decisions about resource allocation and for assessment of performance. The operation of the Group constitutes one single operating and reportable segment under HKFRS 8 Operating Segments and accordingly no separate segment information is presented.

***Geographical Information***

The Group’s operations are located in Hong Kong and Vietnam.

Information about the Group’s revenue from external customers is presented based on the location of the destination points of the customers.

***Revenue from external customers***

	<b>Six months ended</b>	
	<b>30.6.2025</b> <b>HK\$’000</b> <b>(unaudited)</b>	30.6.2024 HK\$’000 (unaudited)
United States of America	<b>341,950</b>	393,050
United Kingdom	<b>27,356</b>	9,352
Others	<b>531</b>	3,835
<b>Total</b>	<b>369,837</b>	406,237

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

(iii) **Transaction price allocated to the remaining performance obligation for contracts with customers (Continued)**

The information about the Group's non-current assets (excluded financial assets and deferred tax assets) is presented based on the geographical locations of the assets.

*Non-current assets*

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Hong Kong	6,243	4,377
Vietnam	220,357	191,665
<b>Total</b>	<b>226,600</b>	<b>196,042</b>

### 4. OTHER INCOME

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Bank interest income	4,243	3,151
Interest income on debt instruments at FVTOCI	29	29
Sundry income	1,152	948
Others	1,644	2,615
	<b>7,068</b>	<b>6,743</b>



**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**5. OTHER GAINS AND LOSSES, NET**

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Net foreign exchange gains	<b>2,232</b>	345
Reversal/(provision) of impairment loss on trade receivables	<b>1,450</b>	(975)
Written-off of trade receivables	<b>–</b>	(132)
Fair value change of financial asset at FVTPL	<b>44</b>	20
Gain on disposal of property, plant and equipment	<b>265</b>	–
Gain on reversal of provision	<b>–</b>	29,714
	<b>3,991</b>	28,972

**6. FINANCE COSTS**

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Interest on bank borrowings	<b>4,239</b>	4,919
Interest on lease liabilities	<b>165</b>	96
	<b>4,404</b>	5,015

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 7. INCOME TAX EXPENSE

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
<b>Current tax:</b>		
– Hong Kong Profits Tax	6,274	9,788
– Vietnam Corporate Income Tax	3,652	2,345
– Singapore Corporate Income Tax	–	79
– Over-provision in respect of prior year	(247)	–
	<b>9,679</b>	<b>12,212</b>
<b>Deferred taxation:</b>		
Current period	<b>297</b>	<b>294</b>
	<b>9,976</b>	<b>12,506</b>

Under the two-tier profits tax regime, 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 for Fleming International Limited, the subsidiary of the Company incorporated in Hong Kong, for the six months ended 30 June 2025 and 2024.

For Fleming International Vietnam Limited, the subsidiary of the Company incorporated in Vietnam, the statutory corporate tax rates are 20% for the six months ended 30 June 2025 and 2024.

For Fleming International (Singapore) Pte. Limited, the subsidiary of the Company incorporated in Singapore, the statutory corporate tax rate is 17% for the six months ended 30 June 2025 and 2024.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**8. PROFIT BEFORE INCOME TAX EXPENSE**

Profit before income tax expense is arrived at after charging/(crediting):

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Auditor's remuneration	465	500
Cost of inventories recognised as an expense	255,757	238,441
Allowance of/(reverse of) inventories (included in cost of sales)	368	(1,143)
Written-off of trade receivables	–	132
Donations	10	–
Depreciation of right-of-use assets	2,449	1,946
Less: capitalised in inventories and recognised as cost of sales	(874)	(540)
	<b>1,575</b>	1,406
Depreciation of property, plant and equipment	9,337	5,143
Less: capitalised in inventories and recognised as cost of sales	(7,951)	(4,148)
	<b>1,386</b>	995
Employee benefit expense (excluding directors' remuneration):		
– Salaries and allowances	29,385	29,312
– Discretionary bonus	2,172	2,723
– Retirement benefit scheme contribution	6,232	5,598
Total staff costs	37,789	37,633
Less: capitalised in inventories and recognised as cost of sales	(24,365)	(23,886)
	<b>13,424</b>	13,747

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 9. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the six months ended 30 June 2025 and 2024, disclosed pursuant to the applicable GEM Listing Rules and Hong Kong Companies Ordinance (Cap. 622), is as follows:

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Fees	270	270
Salaries and other allowances	4,128	3,600
Retirement benefits scheme contributions	27	18
Other benefits	1,006	829
Discretionary bonus	20,528	40,000
<b>Total</b>	<b>25,959</b>	<b>44,717</b>

### 10. DIVIDENDS

No dividends were paid, declared or proposed for the six months ended 30 June 2025 and 2024.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**11. EARNINGS PER SHARE**

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

	<b>Six months ended</b>	
	<b>30.6.2025</b> <b>HK\$'000</b> <b>(unaudited)</b>	<b>30.6.2024</b> <b>HK\$'000</b> <b>(unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	<b>45,150</b>	94,552
	<b>Six months ended</b>	
	<b>30.6.2025</b> <b>(unaudited)</b>	<b>30.6.2024</b> <b>(unaudited)</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>918,500,000</b>	1,033,184,066

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 12. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment amounting to HK\$36,283,000 (for the six months ended 30 June 2024: HK\$45,786,000) for the purpose of the Group's operation.

#### Six months ended 30 June 2025

	Buildings HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>Net book value</b>								
At 1 January 2025 (audited)	85,291	40,608	7,426	5,677	2,091	1,000	-	142,093
Additions	18,852	13,826	1,159	1,151	1,270	25	-	36,283
Disposals	(24)	(14)	(60)	(15)	(2)	-	-	(115)
Depreciation charge for the period	(1,930)	(5,009)	(1,052)	(792)	(381)	(173)	-	(9,337)
<b>Net book value as at 30 June 2025 (unaudited)</b>	<b>102,189</b>	<b>49,411</b>	<b>7,473</b>	<b>6,021</b>	<b>2,978</b>	<b>852</b>	<b>-</b>	<b>168,924</b>

#### Year ended 31 December 2024

	Buildings HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>Net book value</b>								
At 1 January 2024 (audited)	40,764	15,922	4,490	2,475	541	882	25,870	90,944
Additions	24,475	31,041	4,792	4,403	2,037	424	-	67,172
Transfer from construction in progress	25,870	-	-	-	-	-	(25,870)	-
Disposals	(2,819)	-	(91)	-	-	-	-	(2,910)
Depreciation charge for the year	(2,999)	(6,355)	(1,765)	(1,201)	(487)	(306)	-	(13,113)
<b>Net book value as at 31 December 2024 (audited)</b>	<b>85,291</b>	<b>40,608</b>	<b>7,426</b>	<b>5,677</b>	<b>2,091</b>	<b>1,000</b>	<b>-</b>	<b>142,093</b>

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**13. INVENTORIES**

	<b>30.6.2025</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2024 <i>HK\$'000</i> <i>(audited)</i>
Raw materials	72,260	72,068
Work in progress	4,913	3,951
Finished goods	35,560	27,443
Goods in transit	22,859	7,571
	<b>135,592</b>	111,033
Less: Allowance for inventories	<b>(5,925)</b>	(5,557)
	<b>129,667</b>	105,476

**14. TRADE AND OTHER RECEIVABLES**

	<b>30.6.2025</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2024 <i>HK\$'000</i> <i>(audited)</i>
Trade receivables, gross	129,029	133,363
Less: Allowance for credit losses	<b>(947)</b>	(2,397)
Trade receivables, net	<b>128,082</b>	130,966
Deposits and prepayments	<b>11,334</b>	14,072
<b>Total</b>	<b>139,416</b>	145,038

As at 30 June 2025 and 31 December 2024, trade receivables from contracts with customers amounted to HK\$128,082,000 and HK\$130,966,000 respectively.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 14. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows credit period ranging from 30 to 180 days to its trade customers. 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:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
0-30 days	61,087	51,030
31-60 days	38,507	46,555
61-90 days	23,726	8,075
91-180 days	4,762	24,289
Over 180 days	—	1,017
	<b>128,082</b>	<b>130,966</b>

The ageing analysis of trade receivables, net of loss allowance for credit losses, as of the end of reporting period, based on past due dates, is as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Neither past due nor impaired	103,996	101,070
Past due over:		
1-30 days	19,914	4,123
31-60 days	716	23,574
61-90 days	2,866	361
91-180 days	590	995
Over 180 days	—	843
	<b>128,082</b>	<b>130,966</b>

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances and the balance are non-interest-bearing.



**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

**15. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/  
BANK BALANCES AND CASH**

The pledged bank deposits of the Group are pledged to banks for securing bank borrowings (Note 19). The bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. As at 31 December 2024, a restricted deposit of approximately HK\$1,711,000 was classified as current asset, denominated in VND and carried at interest. The restricted deposit was released as at 30 June 2025.

**16. TRADE AND OTHER PAYABLES**

The ageing analysis of trade payables based on the invoice date at the end of the reporting period.

	<b>30.6.2025 HK\$'000 (unaudited)</b>	<b>31.12.2024 HK\$'000 (audited)</b>
Trade payables:		
1–30 days	<b>48,149</b>	27,339
31–60 days	<b>21,600</b>	11,019
61–90 days	<b>1,016</b>	4,488
91–180 days	<b>895</b>	2,453
	<b>71,660</b>	45,299
Other payables	<b>6,279</b>	14,026
Accrued expenses	<b>42,417</b>	57,311
	<b>120,356</b>	116,636

The credit period on purchases of goods is 0 to 60 days.

**17. CONTRACT LIABILITIES**

The amount represented the trade deposits received from customers, which will be recognised as the Group's revenue when the control of the goods transferred to customers.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 18. PROVISION

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Provision	–	3,880

During the year ended 31 December 2024, the Group finalised an agreement with the customer for a settlement with a compensation amount of US\$3.0 million (equivalent to approximately HK\$23.3 million) and the Company shall be discharged from any further liability in respect of the claim. Accordingly, reversal of provision of HK\$29,714,000 was recognised and included in other gains and losses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024. During the six months ended 30 June 2025, the compensation amounting to HK\$3,880,000 was fully repaid.

### 19. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to HK\$30,084,000 (31 December 2024: HK\$5,522,000). The bank loans carry interest at variable market rates of 3.75% to 8.02% per annum. The proceeds were used to finance the daily operation of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2025*

## 20. SHARE CAPITAL

### The Company

	Number of shares	Share capital <i>HK\$'000</i>
<hr/>		
Ordinary shares of HK\$0.01 each		
<b>Authorised</b>		
At 31 December 2024 and 30 June 2025	5,000,000,000	50,000
<hr/>		
<b>Issued and fully paid</b>		
At 31 December 2024 and 30 June 2025	918,500,000	9,185
<hr/>		

## 21. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Directors.

Key management personnel remuneration was as follow:

	<b>Six months ended</b>	
	<b>30.06.2025 HK\$'000 (unaudited)</b>	<b>30.06.2024 HK\$'000 (unaudited)</b>
<hr/>		
Salaries, allowance and bonus	25,932	44,699
Retirement benefits scheme contributions	27	18
	<hr/>	<hr/>
	25,959	44,717
	<hr/>	

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

### 22. FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used) as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs and relationship of unobservable inputs to fair value
	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)			
Debt instruments at FVTOCI	895	889	Level 3	Based on the reference prices of respective unlisted bonds provided by financial institution which is determined by using discounted cash flow with discount rate reflecting the credit risk of the issuers.	A slight increase in discount rate used would result in significant decrease in fair value measurement to the unlisted bonds investments and vice versa.
Financial asset at FVTPL	3,295	3,251	Level 3	Based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input.	Higher the cash surrender value, higher the fair value of the keyman insurance contract.

*Note:* There were no transfers between level 1, level 2 and level 3 during the six months ended 30 June 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of candle products with headquarters in Hong Kong and operations in Vietnam. The Group mainly manufactures and sells daily-use candles, scented candles, decorative candles and other products such as diffusers. The major customers of the Group are mostly U.S. and U.K. department store operators and buying agents.

The Group mainly manufactures candle products based on the requirements and specifications from its customers. The Group would also assess the design and specifications and put forward suggestions to its customers. The Group offers a wide variety of services to its customers ranging from product design, raw material selection and procurement, provision of sample candle before mass production, laboratory testing to recommendation to improve the product quality.

The Group targets in mid-to-high end candle products in overseas markets in different countries and regions, mainly in U.S. and U.K. markets. The candle market has an increasing preference over candle products which are scented and with colour additives. With the preference for candle products with scent and coloured additives for use in rooms and households, increasing demand for scented candle products has provided the impetus for the whole market. We are welcomed and favoured by consumers, and are therefore confident about the future business development of the Group.

The Group aims to be the competitive manufacturer in the industry, which requires the fostering of various abilities. To pursuit of this goal, the Group has faced and overcome various challenges, including the successful completion of two new factories in Vietnam in 2022 and 2024, ongoing improvements in production processes to reduce costs, and maintaining close communication with customers to address evolving market demands. These efforts have further strengthened the Group's organizational capacity to navigate the uncertainties of the external environment.

Our production capacity for candle products has been significantly enhanced through the high level of automation implemented at the two new factories, which commenced mass production in 2022 and 2024. This expansion supports the Group's continued growth and positions us to meet the increasing demand in the rapidly growing U.S. candle market.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group has remained focused on developing its core business while continuously enhancing production and operational efficiency. In 2024, strong demand for candle products drove customer orders to a record high. The Group remains committed to improving its gross profit margin by sourcing more favorable pricing raw material and leveraging reduced production overheads through the operational synergies of its highly automated new factories.

The analysis of product segment of the Group for the six months ended 30 June 2025 is set out in Note 3 to the condensed consolidated financial statements. The scented candles remains the best selling product of the Group during the six months ended 30 June 2025. It reflects the trend of preference for candle products with scent and coloured additives remains the same trend in the U.S. market. In contrast, sales of other products primarily diffusers – declined significantly due to decrease in market demand during the same period.

Vietnam remains the Group's primary production hub, accounting for over 90% of its total manufacturing capacity, with the majority of products exported to the United States. However, the recent imposition of a 20% tariff by the U.S. government on general imports from Vietnam will significantly increase the Group's export costs and is expected to compress profit margins in the foreseeable future. In the first half of 2025, the Group experienced margin pressure due to price adjustments made in response to the tariff.

Nevertheless, the Vietnamese government has expressed willingness to reduce import tariffs on U.S. goods to 0% in exchange for tariff relief and has actively negotiated with the U.S. government. However, the final tariff rate was raised to 20%, indicating limited success in negotiations.

In pursuing market diversification, the Group is actively exploring opportunities in Europe and other regions, but the scale and importance of the U.S. market are difficult to replace quickly.

To mitigate the impact, the Group plans to enhance production efficiency to reduce costs and may consider various manufacturing operations to reduce costs. Nevertheless, in the short term, the Group is likely to face increased costs and supply chain realignment challenges.

Based on the well established long-term relationships with the customers and with support from our experienced management team of the Group in the industry, the Group has confidence in capturing business opportunities and growth in future.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)****FINANCIAL REVIEW****Revenue**

Revenue for the six months ended 30 June 2025 amounted to approximately HK\$369.8 million, representing a decrease of approximately HK\$36.4 million or 9.0% as compared with that of approximately HK\$406.2 million for the same period in 2024.

The decrease in revenue was due to the decrease in sales of daily-use candles, scented candles and other candles products of approximately HK\$6.4 million, HK\$6.1 million and HK\$27.3 million respectively for the six months ended 30 June 2025.

**Gross profit and gross profit margin**

Gross profit for the six months ended 30 June 2025 amounted to approximately HK\$113.7 million, representing a decrease of approximately HK\$54.1 million or 32.2% as compared with that of approximately HK\$167.8 million for the same period in 2024.

The gross profit margin decrease to approximately 30.7% for the six months ended 30 June 2025 as compared with that of 41.3% for the same period in 2024. The decrease in the gross profit margin was mainly due to the increase in the unit price of the raw materials for the six months ended 30 June 2025.

**Other income**

Other income for the six months ended 30 June 2025 was approximately HK\$7.1 million, representing an increase of approximately HK\$0.4 million or 6.0% as compared to that of approximately HK\$6.7 million for the same period in 2024. The increase in other income mainly due to the increase in sale of scrap of materials of approximately HK\$507,000.

**Other gains and losses, net**

Other gains for the six months ended 30 June 2025 amounted to approximately HK\$4.0 million, representing a decrease of approximately HK\$25.0 million or 86.2% as compared with other gains of approximately HK\$29.0 million for the same period in 2024. The decrease was mainly due to the absence of a reverse of provision for the claim of the recall of approximately HK\$29.7 million recorded in the same period in 2024.

**Selling and distribution expenses**

Selling and distribution expenses for the six months ended 30 June 2025 amounted to approximately HK\$16.7 million, representing a decrease of approximately HK\$2.0 million or 10.7% as compared with that of approximately HK\$18.7 million for the same period in 2024.

The decrease was mainly due to the decrease in marketing and promotion expenses for approximately HK\$4.3 million.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Administrative expenses

Administrative expenses for the six months ended 30 June 2025 amounted to approximately HK\$48.6 million, representing a decrease of approximately HK\$24.1 million or 33.1% as compared with that of approximately HK\$72.7 million for the same period in 2024. The decrease in administrative expenses was mainly due to (i) the decrease in salary and allowance of approximately HK\$19.4 million; (ii) the decrease in legal and professional fee of approximately HK\$2.6 million; and (iii) the decrease in office expenses of approximately HK\$2.0 million.

### Finance costs

Finance costs for the six months ended 30 June 2025 amounted to approximately HK\$4.4 million, representing a decrease of approximately HK\$0.6 million or 12.0% as compared to that of approximately HK\$5.0 million for the same period in 2024.

The decrease was mainly due to the decrease in interest rate of bank borrowings for business operation.

### Profit for the period

The Group incurred net profit of approximately HK\$45.2 million for the six months ended 30 June 2025, representing a decrease of approximately HK\$49.4 million or 52.2% as compared with net profit of approximately HK\$94.6 million for the same period in 2024.

Such changes were the combined effect of the decrease in gross profit of approximately HK\$54.1 million; the decrease in other gains of approximately HK\$25.0 million; and net off by the decrease in administrative expenses of approximately HK\$24.1 million.

### Liquidity and Financial Resources

As at 30 June 2025, the Group had total assets of approximately HK\$858.3 million (31 December 2024: approximately HK\$796.8 million), which is financed by total liabilities of approximately HK\$166.2 million (31 December 2024: approximately HK\$149.8 million) and shareholders' equity (comprising share capital and reserves) of approximately HK\$692.1 million (31 December 2024: approximately HK\$647.0 million).

The total interest-bearing borrowings of the Group as at 30 June 2025 were approximately HK\$34.3 million (31 December 2024: approximately HK\$12.7 million), and current ratio as at 30 June 2025 was approximately 3.8 times (31 December 2024: approximately 4.1 times) which remains stable.

The Group's gearing ratio, which is calculated by dividing total debt by total equity as at the end of each of the reporting period, dropped from approximately 2.5% as at 31 December 2024 to approximately 5.7% as at 30 June 2025, primarily due to the increase in bank borrowings.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 30 June 2025 and 31 December 2024, the Group had unutilised banking facilities of approximately HK\$86.7 million and HK\$115.9 million respectively.

The Directors are of the view that as at the date of this report, the Group's financial resources are sufficient to support its business and operations.

### Treasury Policy

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the reporting period. The management of the Group regularly reviews the recoverable amount of trade receivables by performing ongoing credit assessments and monitoring prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

### Capital Structure

The Shares were successfully listed on GEM on 19 July 2018. During the reporting period, there has no material change in the capital structure of the Group.

As at 30 June 2025, the Company's issued share capital was HK\$9,185,000 (31 December 2024: HK\$9,185,000) and the number of its issued ordinary shares was 918,500,000 (2024: 918,500,000) of HK\$0.01 each.

### Future Plans for Material Investments and Capital Assets

Save as disclosed in the prospectus of the Company dated 29 June 2018 (the "**Prospectus**") and this report, the Group did not have any plans for material investments or capital assets as of 30 June 2025.

### Pledge of Assets

As at 30 June 2025 and 31 December 2024, the Group had corporate guarantee and pledged certain assets including property, plant and equipment, right-of-use assets, debt instruments of fair value through other comprehensive income, pledged bank deposits with carrying amounts of approximately HK\$107.0 million and HK\$109.4 million respectively to secure the Group's bank loans.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Foreign Currency Exposure

The majority transactions of expenditure and bank borrowings of the Group are denominated in foreign currencies which are different from the functional currency of the Group, i.e. US dollar. The Group is mainly exposed to foreign exchange risk arising from transactions that are denominated in Hong Kong dollar and Vietnamese dong. During the six months ended 30 June 2025, the Group did not have any hedging arrangements. The Group currently does not have a foreign currency hedging policy. However, the management of the Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should the need arises. The management of the Group considers the exposure to the foreign exchange risk fluctuation for the Group is not material.

### Capital Commitments

As at 30 June 2025, the Group had capital commitments of approximately HK\$1.9 million in respect of property, plant and equipment (30 June 2024: approximately HK\$1.8 million).

### Contingent Liabilities

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

### Employees and Remuneration Policies

As at 30 June 2025, the Group employed approximately 1,640 (30 June 2024: approximately 2,110) staff (including executive Directors). The total amount of employee remuneration of the Group (including Directors' remuneration) for the six months ended 30 June 2025 was approximately HK\$63.7 million (30 June 2024: approximately HK\$82.3 million).

The Company adopted the share option scheme on 7 June 2024 (the “**Share Option Scheme**”) for the purpose to provide the Company with a flexible means of giving incentive and reward to employee of the Group for incentive or reward for their contribution to the Group. The Group determines the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)****Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets**

Other than disclosed as elsewhere in this report, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the six months ended 30 June 2025.

**EVENT AFTER THE END OF REPORTING PERIOD**

Save as disclosed in section headed “Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets” above, there are no significant events affecting the Group after the reporting period and up to date of this report.

**DIVIDEND**

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

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### USE OF PROCEEDS

The net proceeds received by the Group from the Listing after deducting the relevant one-off and non-recurring listing expenses amounted to approximately HK\$44.5 million (based on the public offering price of HK\$0.295 per Share), which was below the estimated net proceeds of approximately HK\$50.5 million (estimated on the assumption that the public offering price would be HK\$0.32 per Share), the midpoint of the range stated in the Prospectus.

The following sets forth a summary of the allocation of the net proceeds and its utilisation as at 30 June 2025, as compared to that envisaged in the Prospectus.

### Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as stated in the Prospectus with the Group's actual business progress for the period from the date of Listing (i.e. 19 July 2018) to 30 June 2025 is set out below:

	Approximate amount of net proceeds <i>HK\$ million</i>	Approximate % of net proceeds %	Unused amount of net proceeds as at 1 January 2025 <i>HK\$ million</i>	Approximate actual utilised during the reporting period <i>HK\$ million</i>	Approximate actual utilised as at 30 June 2025 <i>HK\$ million</i>	Unused amount of net proceeds as at 30 June 2025 <i>HK\$ million</i>
Upgrade existing production facilities	6.2	13.9	3.2	3.2	6.2	-
Acquisition of new production facilities	18.1	40.7	-	-	18.1	-
Purchase of new machinery	9.2	20.7	-	-	9.2	-
Installation of Enterprise Resource Planning ("ERP") systems	2.0	4.5	-	-	2.0	-
Partial repayment of bank loans	6.9	15.5	-	-	6.9	-
General working capital	2.1	4.7	-	-	2.1	-
	44.5	100.0	3.2	3.2	44.5	-

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)****Upgrade existing production facilities**

Fleming International Vietnam Limited, an indirect wholly-owned subsidiary of the Company, entered into the construction contract in October 2024 at the contract price of VND32,680,000,000 (equivalent to approximately HK\$10.1 million) with the independent contractor in relation to the construction of renovation of existing production facilities.

The renovation of existing production facilities commenced in October 2024 and the construction work completed as at 30 June 2025.

As at 30 June 2025, the total amount of approximately VND31,417,000,000 (equivalent to approximately HK\$9.8 million) was paid in accordance with the construction contract. Part of the contract price was paid by the net proceeds from Listing of approximately HK\$6.2 million in aggregate.

The Board considered that the terms of the construction contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Acquisition of new production facility**

In 2019, the Group completed the acquisition of the new land for new production facility. In 2021, the Group's building construction of new production facility was completed and fully utilised approximately HK\$18.1 million from part of the net proceeds allocated for the new production facility.

**Acquisition of new machinery**

The Group paid approximately HK\$9.2 million for the acquisition of machineries for the increasing purchase orders from its customers.

**Installation of ERP systems**

The Group paid approximately HK\$2.0 million for the related expenses of the ERP systems for production and warehouse management and customer relationship management.

**Partial repayment of bank loans**

The Group repaid the balance of bank loans in Hong Kong and Vietnam of approximately HK\$2.9 million and repaid overdraft in Hong Kong amounting to approximately HK\$4.0 million.

As at 30 June 2025, the Group had utilised the net proceeds from the Listing of HK\$44.5 million and no net proceeds were remaining.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) held by the Directors and chief executives of the Company (the “**Chief Executives**”) which have been 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 have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

#### Long position in ordinary Shares

Name of Directors	Nature of interests	Numbers of Shares held	Approximate % of the total number of Shares in issue
Mr. Wong Wai Chit <i>(Notes 1 &amp; 2)</i>	Interest in controlled corporation	643,500,000	70.1%
Mr. Wong Man Chit <i>(Notes 1 &amp; 3)</i>	Interest in controlled corporation	643,500,000	70.1%

#### Notes:

- These 643,500,000 Shares are held by AVW International Limited (“**AVW**”), which is beneficially owned as to 50% by Mr. Wong Wai Chit and 50% by Mr. Wong Man Chit. Each of Mr. Wong Wai Chit and Mr. Wong Man Chit is deemed to be interested in the same number of Shares in which AVW is interested under the SFO.
- Ms. long Man Lai is the spouse of Mr. Wong Wai Chit. Ms. long Man Lai is deemed to be interested in the same number of Shares in which Mr. Wong Wai Chit is interested by virtue of the SFO.
- Ms. Tse Sheung is the spouse of Mr. Wong Man Chit. Ms. Tse Sheung is deemed to be interested in the same number of Shares in which Mr. Wong Man Chit is interested by virtue of the SFO.

**CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)**

Save as disclosed above, as at 30 June 2025, none of the Directors or Chief Executives had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

**RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraphs headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURE” and “SHARE OPTION SCHEME” in this report, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**DIRECTORS’ INTERESTS IN CONTRACTS**

None of the Directors nor their respective close associates had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2025.

**SUBSTANTIAL SHAREHOLDERS IN THE SHARES**

So far as the Directors and the Chief Executives are aware, as at 30 June 2025, other than the Directors and the Chief Executives, the following persons will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares 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 of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be 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 the Company or any other members of the Group:

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

## Long position in ordinary Shares

Name of shareholders	Nature of interests	Number of Shares held	Approximate % of the total number of Shares in issue
AVW <i>(Note 1)</i>	Beneficial owner	643,500,000	70.1%
Ms. long Man Lai <i>(Notes 1 &amp; 2)</i>	Interest of spouse	643,500,000	70.1%
Ms. Tse Sheung <i>(Notes 1 &amp; 3)</i>	Interest of spouse	643,500,000	70.1%

## Notes:

1. AVW is beneficially owned as to 50% by Mr. Wong Wai Chit and 50% by Mr. Wong Man Chit, executive directors of the Company. Each of Mr. Wong Wai Chit and Mr. Wong Man Chit is deemed to be interested in the same number of Shares in which AVW is interested under the SFO.
2. Ms. long Man Lai is the spouse of Mr. Wong Wai Chit. Ms. long Man Lai is deemed to be interested in the same number of Shares in which Mr. Wong Wai Chit is interested by virtue of the SFO.
3. Ms. Tse Sheung is the spouse of Mr. Wong Man Chit. Ms. Tse Sheung is deemed to be interested in the same number of Shares in which Mr. Wong Man Chit is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2025, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

## SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 7 June 2024 (the “**Adoption Date**”) for the purpose of providing employee participants, related entity participants and service providers (excluding the independent non-executive Directors) (the “**Eligible Participants**”) with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and its shareholders (the “**Shareholders**”) as a whole, as well as to motivate Eligible Participants to contribute to the success of the Group’s operations. The Share Option Scheme provides the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.



**CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)**

Under the Share Option Scheme, the Board may make an offer to the Eligible Participants. The total number of Shares which may be issued upon exercise of all options and awards which may be granted under the Share Option Scheme and any other share scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the date of approval by the Shareholders on 7 June 2024 (the “**Scheme Mandate Limit**”). Subject to the above, within the Scheme Mandate Limit, the total number of Shares which may be allotted and issued upon exercise of all options and awards to be granted under the Share Option Scheme and any other share schemes to the service providers must not in aggregate exceed 10% of the Scheme Mandate Limit (the “**Service Provider Sublimit**”). The Company may refresh the Scheme Mandate Limit (and the Service Provider Sublimit) at any time by obtaining approval of the Shareholders in general meeting after three (3) years from the Adoption Date or the date of the Shareholders’ approval for the last refreshment.

Unless approved by the Shareholders at the general meeting, the total number of Shares issued and to be issued upon exercise of the options and awards granted and to be granted pursuant to the Share Option Scheme and any other share schemes of the Group to each Eligible Participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options and awards must not exceed 1% of the Shares in issue (excluding treasury shares).

The maximum number of Shares which may be issued upon exercise of all options and awards to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 91,850,000, representing 10% of the total number of Shares in issue (excluding treasury shares) on the Adoption Date and the date of this report unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options and awards lapsed in accordance with the terms of the Share Option Scheme or any other share schemes of the Group will not be counted for the purpose of calculating 10% limit. As at 1 January 2025, 30 June 2025 and the date of this report, (i) the maximum number of Shares which may be issued upon exercise of all options and awards to be granted under the Scheme Mandate Limit must not exceed 91,850,000, representing 10% of the total number of Shares in issue (excluding treasury shares) on the Adoption Date; and (ii) to be granted under the Service Provider Sublimit must not exceed 9,185,000, representing 10% of the Scheme Mandate Limit on the Adoption Date.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Details of the principle terms of the Share Option Scheme are set out in the Appendix II of the circular of the Company dated 29 April 2024. The principle terms of the Share Option Scheme are summarized as below.

The Share Option Scheme remain in force for a period of ten (10) years commencing from 7 June 2024 and remains in force until 6 June 2034. As at the date of this report, the remaining life of the Share Option Scheme is approximately 8 years and 10 months. The Company may, by ordinary resolution in general meeting or, such date as the Board determined, terminate the Share Option Scheme at any time without prejudice to the exercise of options and awards granted prior to such termination.

The exercise price per Share in respect of any option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

1. the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
2. the average closing price of the Share as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant; and
3. the nominal value of a Share on the date of grant.

Upon acceptance of the options, the Eligible Participant shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter (which shall not be later than 21 days from, and inclusive of, the date of offer) issued by the Company. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme. The vesting period of options granted under the Share Option Scheme shall not be less than 12 months and the options granted to employee participants may be subject to a shorter vesting period under any one of the circumstances under the rules of the Share Option Scheme and as deemed appropriate at the sole discretion of the Board or the remuneration committee of the Company. No option and award were granted under the Share Option Scheme since the Adoption Date.

## COMPETING INTERESTS

For the six months ended 30 June 2025, none of the Directors, the substantial shareholders or controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)****DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, each of them have confirmed that they have complied with the Required Standard of Dealings for the six months ended 30 June 2025. No incident of non-compliance was noted by the Company for the six months ended 30 June 2025.

**PURCHASE, SALE OR REDEMPTION OF SHARES**

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the reporting period and up to the date of this report.

**COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to achieve high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix C1 to the GEM Listing Rules (the “**CG Code**”). During the six months ended 30 June 2025, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

**DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULE 17.50A(1) OF THE GEM LISTING RULES**

The change in information of Director is set out below pursuant to Rule 17.50A of the GEM Listing Rules:

Ms. Wong Wan Yan was appointed as a member of the nomination committee of the Company with effect from 20 June 2025.

Save as mentioned above, there has been no change of information of each Director that is required to be disclosed under Rule 17.50A(1) of the GEM Listing Rules since the publication of the annual report of the Company for the year ended 31 December 2024.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

### AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Chan Cheong Tat. The other members are Mr. Chu Kin Wang, Peleus and Mr. Ho Chi Wai. The primary duties of the Audit Committee are to review and supervise the Company’s financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. All members of the Audit Committee are appointed by the Board.

The Audit Committee had reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2025 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

### REVIEW OF THIS REPORT

This report for the six months ended 30 June 2025 has not been audited, but has been reviewed by the Audit Committee.

As at the date of this report, the Directors are:

#### EXECUTIVE DIRECTORS

Mr. Wong Wai Chit (*Chairman*)

Mr. Wong Man Chit (*Chief Executive Officer*)

Ms. Wong Wan Yan

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Cheong Tat

Mr. Ho Chi Wai

Mr. Chu Kin Wang, Peleus

Hong Kong, 8 August 2025