



# Basic House New Life Group Limited 簡樸新生活集團有限公司

(formerly known as AL Group Limited 利駿集團(香港)有限公司)

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8360



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*This report, for which the directors (the “Directors”) of Basic House New Life Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (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 aspects 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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# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Overview

Basic House New Life Group Limited (the “Company”) together with its subsidiaries (collectively referred to as the “Group”), principally derives its revenue from the following business arms: (i) Design and Fit Out Business, which provides integration of interior design, fit out solutions and repair and maintenance services in Hong Kong; and (ii) Treasury Investment Business, which invests in equity securities listed in Hong Kong and derivatives listed in Hong Kong and Overseas.

## Design and Fit Out Business

The business was established in 1999 under the name of AL Design & Associates Limited (“AL Design”), which is a well-established interior design and fit out solutions provider in Hong Kong. The Group believes that its success is firmly rooted in its extensive experience and portfolio in interior design and fit out works as well as project management. The Group’s services can be broadly categorised as (i) design and fit out and (ii) design only. In addition, the Group also provides maintenance and aftersales services which could cater for its customers’ different requirements.

## Treasury Investment Business

The Group established the Treasury Investment Business during the year ended 31 December 2023. The Group will keep seeking for opportunities of equity and derivatives appreciation and cash flow return in the equity securities market listed in Hong Kong and derivatives market listed in Hong Kong and Overseas.

## Prospects

For the Design and Fit Out Business, the management of the Group (the “Management”) is committed to strengthen the customer base. The Group will continue to find new orders and customers. Because of the unstable economic condition, there was an adverse impact to the Group and accordingly, the Management will actively keep monitoring the performance of the Group, and will implement appropriate strategy in a timely manner. Despite the uncertainties, the Management still remains positive towards the Design and Fit Out Business in the long run.

The Group commenced the business of treasury investment during the year ended 31 December 2023. The Board is optimistic on the prospects of the equity securities market listed in Hong Kong as well as derivatives market listed in Hong Kong and Overseas and considered that the new business will further enhance the Company’s financial performance as well as the value of the shareholders.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Financial Review

### Revenue

The Group's revenue increased from approximately HK\$15.0 million for the six months ended 30 June 2024 to approximately HK\$22.8 million over the same period in 2025, representing an increase of approximately 51.7%, which was mainly driven by the improved performance of the "Design and Fit Out Business".

For Treasury Investment Business, it had not generated any realised income for the six months ended 30 June 2025.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 June 2024 and 30 June 2025.

	Six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Design and Fit Out Business	22,825	100.0	15,046	100.0
Treasury Investment Business	—	—	—	—
	22,825	100.0	15,046	100.0

### Cost of sales and services

The majority of the Group's cost of sales and services was raw material costs, labor and operating cost of design and fit out business. The Group's cost of sales and services increased by approximately 87.0% to approximately HK\$17.1 million for the six ended 30 June 2025 as compared to the same period in 2024.

### Expense

Selling and administrative expenses for the six months ended 30 June 2025 was approximately HK\$17.6 million (2024: HK\$13.7 million), representing an increase of approximately HK\$3.9 million. The increase was mainly due to increase in legal and professional fees as well as marketing expense.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Loss for the period

The loss for the six months ended 30 June 2025 was approximately HK\$15.8 million. The loss for the same period in 2024 was approximately HK\$5.3 million.

## Liquidity, Financial and Capital Resources

### Capital structure

As at 30 June 2025, the share capital and equity attributable to owners of the Company amounted to approximately HK\$36,027,000 and HK\$-25,365,000 respectively (31 December 2024: HK\$36,027,000 and HK\$-10,865,000 respectively). Details of the capital management are set out in the Note 21 to the unaudited interim condensed consolidated financial statements.

### Cash position

As at 30 June 2025, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$25.9 million (31 December 2024: HK\$53.6 million), representing a decrease of approximately 51.7% as compared to that of at 31 December 2024.

### Gearing ratio

As at 30 June 2025, the gearing ratio, expressed as a percentage of interest-bearing debt, borrowings, bond payable, contingent consideration payable and convertible bond over total assets was approximately 111.1% (31 December 2024: 83.9%). The increase in gearing ratio was mainly resulted by the increase in the amount borrowings, convertible bonds as well as bonds payable. The management will timely monitor the financial position of the Group and deleverage the gearing when appropriate.

### Exchange Rate Exposure

The Group's business operations are denominated mainly in Hong Kong dollars ("HK\$"). The Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Pledge of Assets

The equity securities amounted to HK\$55.1 million were pledged to secure a margin loan borrowing from a financial institution amounted to HK\$11,075,000 carry interest ranged from 1.5% to 6.9%, and is included in borrowings of the Group as at 30 June 2025 (31 December 2024: Nil).

### Contingent Liabilities and Capital Commitments

The Group did not have any significant contingent liabilities as of 30 June 2025.

During the year ended 31 December 2024, certain customers of design and fit out contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

As at 31 December 2024, the Group had paid for certain refundable deposits with the aggregate amount of HK\$945,000 to an insurance company for surety bonds issued in favour of certain customers by the insurance company amounted to approximately HK\$1,350,000 which remained outstanding at that date. Where the Group fails to provide satisfactory performance to the customers, the customers may demand the insurance company to pay the sum stipulated in the surety bond and the Group may then become liable to compensate the insurance company accordingly.

### Employees and Emolument Policies

The Group had approximately 38 employees (including Directors) as 30 June 2025 (31 December 2024: 39 employee). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Legal Proceedings

On 8 November 2023, ACE Architectural and Interior Design Limited (“ACE”), a former subsidiary of the Company was ordered to be wound up by the High Court of Hong Kong in HCCW347/2023 and the Provisional Liquidator of ACE was appointed.

ACE filed a notice of appeal against the Order (the “Appeal”) to the Court of Appeal of the High Court on 6 December 2023. At the time of filing of the notice of Appeal on 6 December 2023, the Board had undertaken a parallel effort to seek legal advice in evaluating the substantive legal merits. Failure to file the notice of Appeal within the 28-day time limit from the date of the Order would have resulted in ACE forfeiting its right to pursue such Appeal.

After due deliberation on the legal assessment, the Board has resolved not to proceed with the Appeal. Given (i) the insolvency of ACE with net liabilities of approximately HK\$65 million as at the Deconsolidation Date; (ii) the substantial requisite funding from the Group to remedy the insolvent condition of ACE; and (iii) the ongoing litigation time and costs associated with continued pursuit of the Appeal, the Board considers that the withdrawal of the Appeal represents the most prudent and beneficial course of action for the Company, and is in the interests of the Company and the shareholders of the Company.

To the best knowledge, information and belief of the Board, the Group had not provided any form of corporate guarantee or collateral to secure the external debts incurred by ACE. With no contingent liabilities incumbent upon the Group for ACE’s failure to repay those external debts, the Company considers that there will be no adverse impact on the financial position of the Group. Details were set out in the Company’s announcements dated 8 November 2023 & 9 July 2024.

## Significant Event after the Reporting Period

The following events took place subsequent to the end of the reporting period:

On 21 August 2025, the Company disposed of certain listed securities at an aggregate consideration of approximately HK\$13,000,000 (before expenses) on the open market, which gave rise to a gain on disposal of approximately HK\$1,700,000. Details of the disposals are set out in the Company’s announcement dated 21 August 2025.

Saved as disclosed elsewhere in this interim report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this interim report.

## Interim Dividend

The board of the Directors of the Company (the “Board”) does not declare any interim dividend for the six months ended 30 June 2025 (2024: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Significant Investments Held

As at 30 June 2025, the Group held approximately HK\$58 million of equity investments which were classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Details of the significant listed equity investments are as follows:

	Notes	Place of incorporation	Gain on change in fair value HK\$'000	Market value HK\$'000	Approximate percentage of equity investment %	Approximate percentage to the total asset %	Approximate percentage to the interest in the respective investment as at 30 June 2025 %
HSBC Holdings plc (0005.hk)	1	England	505	2,504	4.4	2.0	<0.01
CK Hutchison Holdings Limited (00001.hk)	2	Cayman Islands	815	12,099	21.0	9.8	<0.01
BYD Company Limited (01211.hk)	3	PRC	(270)	1,715	3.0	1.4	<0.01
Chinese Estates Holdings Limited (00127.hk)	4	Bermuda	307	2,934	5.1	2.4	0.12
Spring Real Estate Investment Trust (01426.hk)	5	Hong Kong	(54)	673	1.2	0.5	0.03
Global International Credit Group Limited (01669.hk)	6	Cayman Islands	89	361	0.6	0.3	0.12
Wanda Hotel Development Company Limited (00169.hk)	7	Bermuda	(14)	1,840	3.2	1.5	0.06
New World Development Company Limited (00017.hk)	8	Hong Kong	–	6	0.0	0.0	<0.01
Most Kwai Chung Limited (01716.hk)	9	Cayman Islands	(3)	151	0.3	0.1	0.14
Sun Hing Printing Holdings Limited (01975.hk)	10	Cayman Islands	3	232	0.4	0.2	0.13
ZTO Express (Cayman) Inc (02057.hk)	11	Cayman Islands	(23)	1,994	3.5	1.6	<0.01
Jiangsu Innovative Ecological New Materials Limited (02116.hk)	12	Cayman Islands	45	322	0.6	0.3	0.14
Legion Consortium Limited (02129.hk)	13	Cayman Islands	(9)	304	0.5	0.2	0.18
SF Real Estate Investment Trust (02191.hk)	14	Hong Kong	(51)	1,651	2.9	1.3	0.07
Ping An Insurance (Group) Company of China, Ltd. (02318.hk)	15	PRC	476	2,891	5.0	2.3	<0.01

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

	Notes	Place of incorporation	Gain on change in fair value HK\$'000	Market value HK\$'000	Approximate percentage of equity investment %	Approximate percentage to the total asset %	Approximate percentage to the interest in the respective investment as at 30 June 2025 %
China Life Insurance Company Limited (02628.hk)	16	PRC	492	2,148	3.7	1.7	<0.01
Champion Real Estate Investment Trust (2778.hk)	17	Hong Kong	171	589	1.0	0.5	<0.01
Peiport Holdings Ltd. (02885.hk)	18	Cayman Islands	148	489	0.8	0.4	0.19
Midea Group Co., Ltd. (00300.hk)	19	PRC	(46)	1,980	3.4	1.6	<0.01
Meituan (03690.hk)	20	Cayman Islands	406	1,754	3.0	1.4	<0.01
Far East Hotels and Entertainment Limited (00037.hk)	21	Hong Kong	29	4,509	7.8	3.7	1.2
Dah Sing Financial Holdings Limited (00440.hk)	22	Hong Kong	(451)	4,891	8.5	4.0	0.06
Haier Smart Home Co Ltd (06690.hk)	23	PRC	(87)	1,899	3.3	1.5	<0.01
Tencent Holdings Limited (00700.hk)	24	Cayman Islands	8	604	1.0	0.5	<0.01
HMVOD Limited (08103.hk)	25	Cayman Islands	(900)	419	0.7	0.4	2.22
Legendary Education Group Limited (08195.hk)	26	Cayman Islands	(1)	295	0.5	0.3	0.05
Link Real Estate Investment Trust (00823.hk)	27	Hong Kong	430	1,886	3.3	1.5	<0.01
Super Strong Holdings Limited (08262.hk)	28	Cayman Islands	62	1,206	2.1	1.1	1.26
EDICO Holdings Limited (08450.hk)	29	Cayman Islands	6	779	1.4	0.6	0.68
Tai Cheung Holdings Limited (00088.hk)	30	Bermuda	13	253	0.4	0.2	0.01
JD.Com Inc. (09618.hk)	31	Cayman Islands	(87)	1,893	3.3	1.5	<0.01
ANE (Cayman) Inc. (09956.hk)	32	Cayman Islands	(39)	433	0.8	0.4	0.05
Alibaba Group Holding Limited (09988.hk)	33	Cayman Islands	(96)	1,845	3.2	1.5	<0.01
Geely Automobile Holdings Limited (00175.hk)	34	Cayman Islands	682	N/A	N/A	N/A	N/A
Hong Kong Exchanges and Clearing Limited (00388.hk)	35	Hong Kong	768	N/A	N/A	N/A	N/A
Kuaishou Technology (01024.hk)	36	Cayman Islands	1,106	N/A	N/A	N/A	N/A

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

							Approximate percentage to the interest in the respective investment as at 30 June 2025 %
	Notes	Place of incorporation	Gain on change in fair value HK\$'000	Market value HK\$'000	Approximate percentage of equity investment %	Approximate percentage to the total asset %	
Brilliance China Automotive Holdings Limited (01114.hk)	37	Bermuda	(35)	N/A	N/A	N/A	N/A
Midland Holdings Limited (01200.hk)	38	Bermuda	(24)	N/A	N/A	N/A	N/A
Soho Holly Futures Co Limited (03678.hk)	39	PRC	(27)	N/A	N/A	N/A	N/A
			4,344	57,549	100.0	46.7	N/A

### Notes:

1. HSBC Holdings plc (HSBC) is the banking and financial services company. Dividend of approximately HK\$379,000 was received during the period.
2. CK Hutchison Holdings Limited is an investment holding company principally engaged in the retail business of health and beauty products.
3. BYD Company Limited is a China-based company mainly engaged in the manufacture and sales of transportation equipment. Dividend of approximately HK\$66,000 was received during the period.
4. Chinese Estates Holdings Limited is engaged in property development and trading, property leasing and securities investments. Dividend of approximately HK\$30,000 was received during the period.
5. Spring Real Estate Investment Trust is engaged in owning and investing in income producing real estate assets. Dividend of approximately HK\$25,000 was received during the period.
6. Global International Credit Group Limited is an investment holding company principally engaged in the loan business.
7. Wanda Hotel Development Company Limited is engaged in property development, property leasing, property management and investment holding activities.
8. New World Development Company Limited is an investment holding company mainly engaged in the property development.
9. Most Kwai Chung Limited is an investment holding company mainly engaged in the provision of integrated advertising and media services. Dividend of approximately HK\$6,000 was received during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

10. Sun Hing Printing Holdings Limited is an investment holding company principally engaged in the manufacture and sale of printing products business.
11. ZTO Express Cayman Inc is a holding company that provides express delivery services and other value-added logistics services through a nationwide network. Dividend of approximately HK\$7,000 was received during the period.
12. Jiangsu Innovative Ecological New Materials Ltd is a company principally engaged in developing, manufacturing and marketing oil refining agents and fuel additives that are primarily applied to reduce undesirable emissions and comply with the evolving regulatory requirements.
13. Legion Consortium Limited is an investment holding company. The principal activities of its subsidiaries are provision of trucking services, freight forwarding services and value-added transport services.
14. SF Real Estate Investment Trust is a Hong Kong-based logistics-focused real estate investment trust (REIT). Dividend of approximately HK\$92,000 was received during the period.
15. Ping An Insurance (Group) Co of China Ltd is a China-based company primarily engaged in insurance business.
16. China Life Insurance Co Limited is a China-based company principally engaged in underwriting of life, health, accident and other types of personal insurance business. Dividend of approximately HK\$23,000 was received during the period.
17. Champion Real Estate Investment Trust (REIT) is a Hong Kong-based REIT. Dividend of approximately HK\$31,000 was received during the period.
18. Peiport Holdings Ltd. is an investment holding company mainly engaged in the provision of thermal imaging products and services.
19. Midea Group Co., Ltd. is a China-based company principally engaged in the manufacture and distribution of household electronics.
20. Meituan is an investment holding company mainly engaged in technology retail, providing daily necessities and services through technology and retail fields, including food delivery, in-store, hotel and travel reservations, other services and sales.
21. Far East Hotels and Entertainment Limited is an investment holding company principally engaged in hotel operation. Dividend of approximately HK\$194,000 was received during the period.
22. Dah Sing Financial Holdings Limited is an investment holding company mainly engaged in the banking business. Dividend of approximately HK\$80,000 was received during the period.
23. Haier Smart Home Co Ltd, formerly Qingdao Haier Co Ltd, is a China-based company principally engaged in research and development, manufacturing and sales of home appliances.
24. Tencent Holdings Limited is an investment holding company primarily engaged in the provision of value-added services (VAS), online advertising services, as well as FinTech and business services.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

25. Hmvod Limited is an investment holding company mainly engaged in the production and distribution of films, television programs and music production on over the top (OTT) platforms.
26. Legendary Education Group Limited, formerly Legendary Group Ltd, is an investment holding company mainly engaged in the financial quotient and investment education business. Dividend of approximately HK\$62,000 was received during the period.
27. Link Real Estate Investment Trust is a Hong Kong-based real estate investment trust (REIT). It is also a constituent of the Hang Seng Index.
28. Super Strong Holdings Limited operates as a contractor in the Hong Kong construction industry. The Company is principally engaged in general building works and specialist building works in Hong Kong.
29. EDICO Holdings Limited is an investment holding company mainly engaged in the provision of financial printing services.
30. Tai Cheung Holdings Limited is an investment holding company principally engaged in the real estate development.
31. JD.Com Inc is a company principally engaged in the e-commerce business, including online retail and online marketplace mainly through its retail mobile apps and www.jd.com website (collectively, JD Platform).
32. ANE (Cayman) Inc is an investment holding company mainly providing less than truckload services. The Company is mainly engaged in express services, including transportation services, value-added services and delivery services. Dividend of approximately HK\$20,000 was received during the period.
33. Alibaba Group Holding Limited provides technology infrastructure and marketing platforms.
34. Geely Automobile Holdings Ltd is an investment holding company principally engaged in the production and sales of automobiles.
35. Hong Kong Exchanges and Clearing Limited is principally engaged in the operation of stock exchanges. Dividend of approximately HK\$39,000 was received during the period.
36. Kuaishou Technology is an investment holding company mainly engaged in the operation of content communities and social platforms.
37. Brilliance China Automotive Holdings Ltd. is an investment holding company principally engaged in the manufacture and sales of bavarian motor works (BMW) vehicles in China.
38. Midland Holdings Limited is an investment holding company principally engaged in the provision of property agency services for residential, commercial and industrial properties and shops.
39. Soho Holly Futures Co Limited, formerly Holly Futures Co Ltd, is a China-based company mainly engaged in commodity trading and risk management business.

Alibaba Group Holding Limited provides technology infrastructure and marketing platforms.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In view of the recent volatile in the stock market, the Board will adopt cautious measures to manage the Group's investment portfolio with an aim to provide positive return to the Group in the near future.

Save as disclosed herein and except for investment in subsidiaries, the Group did not have any significant investment in equity interest as at 30 June 2025.

### **Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments**

Save as disclosed elsewhere in this report, there were no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the period ended 30 June 2025.

Saved as disclosed in this report, there was no future plan for material investments or capital assets as at 30 June 2025.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of Directors (the "Board") of Basic House New Life Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 together with the comparative figures as follows:

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

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue	4	22,825	15,046
Other income	5	1,417	1,450
Other gains/(losses), net	6	1,508	2,406
Subcontracting and materials costs		(17,075)	(9,133)
Employee benefit expenses		(8,628)	(8,214)
Rental expenses		(387)	(586)
Other expenses	7	(8,611)	(4,888)
<b>Operating loss</b>		<b>(8,951)</b>	<b>(3,919)</b>
Finance income		67	120
Finance costs	8	(7,036)	(1,287)
Share of profit/(loss) of an associate		147	(170)
Loss before income tax		(15,773)	(5,256)
Income tax expense	9	(4)	–
<b>Loss for the period</b>		<b>(15,777)</b>	<b>(5,256)</b>
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		(15,612)	(5,879)
Non-controlling interests		(165)	623
		<b>(15,777)</b>	<b>(5,256)</b>



# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		18	16
<i>Items that will not be reclassified to profit or loss</i>			
Gain on change in fair value of financial assets at fair value through other comprehensive income		505	139
<b>Other comprehensive income for the period, net of tax</b>		<b>523</b>	155
<b>Total comprehensive expense for the period, net of tax</b>		<b>(15,254)</b>	(5,101)
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Owners of the Company		(15,089)	(5,724)
Non-controlling interests		(165)	623
		<b>(15,254)</b>	(5,101)
		<b>HK cents (Unaudited)</b>	HK cents (Unaudited)
<b>Loss per share</b>	11		
Basic		(4.33)	(1.63)
Diluted		N/A	N/A

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

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	402	452
Right-of-use assets	13	1,185	–
Goodwill		7,887	7,688
Interest in an associate		378	231
Financial assets at fair value through other comprehensive income		2,504	1,999
Rental deposits		163	–
		<b>12,519</b>	10,370
<b>Current assets</b>			
Trade and other receivables	14	22,684	13,993
Loans and interest receivables		1,059	986
Financial assets at fair value through profit or loss	15	55,045	12,001
Contract assets	16	5,890	9,243
Derivative financial instruments	19	200	–
Amount due from non-controlling interest		5	5
Cash and cash equivalents		25,878	53,569
		<b>110,761</b>	89,797
<b>Current liabilities</b>			
Trade and other payables	17	10,884	19,933
Contract liabilities	16	1,330	1,777
Advance payments received from issue of convertible bonds		–	4,700
Advance payments received from issue of bonds		21,900	–
Amount due to a shareholder		–	2,078
Borrowings		11,490	3,575
Financial liabilities at fair value through profit or loss	18	4,114	–
Promissory note payable		–	518
Bonds payable	19	25,117	24,199
Contingent consideration payable		1,097	1,097
Income tax payable		438	453
		<b>76,370</b>	58,330

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

	Notes	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Net current assets</b>		<b>34,391</b>	31,467
<b>Total assets less current liabilities</b>		<b>46,910</b>	41,837
<b>Non-current liabilities</b>			
Borrowings		<b>200</b>	–
Bonds payable	19	<b>57,458</b>	42,918
Convertible bonds	20	<b>7,907</b>	3,259
Contingent consideration payable		<b>6,380</b>	6,380
Lease liabilities		<b>350</b>	–
		<b>(72,295)</b>	(52,557)
<b>Net liabilities</b>		<b>(25,385)</b>	(10,720)
<b>Equity</b>			
Share capital	21	<b>36,027</b>	36,027
Reserves		<b>(61,392)</b>	(46,892)
Equity attributable to owners of the Company		<b>(25,365)</b>	(10,865)
Non-controlling interests		<b>(20)</b>	145
<b>Total equity</b>		<b>(25,385)</b>	(10,720)

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

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company								Non-controlling interests		Total
	Share capital	Share premium	Other reserve	Exchange reserve	Investment revaluation reserve	Share option reserve	Convertible bond reserve	Accumulated losses	Total	interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2025 (Audited)</b>	<b>36,027</b>	<b>134,917</b>	<b>6,007</b>	<b>(31)</b>	<b>348</b>	<b>4,447</b>	<b>2,234</b>	<b>(194,814)</b>	<b>(10,865)</b>	<b>145</b>	<b>(10,720)</b>
Loss for the period	-	-	-	-	-	-	-	(15,612)	(15,612)	(165)	(15,777)
Other comprehensive income	-	-	-	18	505	-	-	-	523	-	523
<b>Total comprehensive income/ (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>505</b>	<b>-</b>	<b>-</b>	<b>(15,612)</b>	<b>(15,089)</b>	<b>(165)</b>	<b>(15,254)</b>
Recognition of equity component of convertible bond (note 19)	-	-	-	-	-	-	589	-	589	-	589
<b>At 30 June 2025 (Unaudited)</b>	<b>36,027</b>	<b>134,917</b>	<b>6,007</b>	<b>(13)</b>	<b>853</b>	<b>4,447</b>	<b>2,823</b>	<b>(210,426)</b>	<b>(25,365)</b>	<b>(20)</b>	<b>(25,385)</b>
<b>At 1 January 2024 (Audited)</b>	<b>36,027</b>	<b>134,917</b>	<b>5,922</b>	<b>-</b>	<b>11</b>	<b>4,447</b>	<b>2,234</b>	<b>(183,552)</b>	<b>6</b>	<b>(302)</b>	<b>(296)</b>
(Loss)/profit for the period	-	-	-	-	-	-	-	(5,879)	(5,879)	623	(5,256)
Other comprehensive income	-	-	-	16	139	-	-	-	155	-	155
<b>Total comprehensive income/ (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>(5,879)</b>	<b>(5,724)</b>	<b>623</b>	<b>(5,101)</b>
<b>At 30 June 2024 (Unaudited)</b>	<b>36,027</b>	<b>134,917</b>	<b>5,922</b>	<b>16</b>	<b>150</b>	<b>4,447</b>	<b>2,234</b>	<b>(189,431)</b>	<b>(5,718)</b>	<b>321</b>	<b>(5,397)</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash used in operating activities	(51,550)	(15,960)
Net cash used in investing activities	(192)	(345)
Net cash generated from/(used in) financing activities	24,058	(496)
Net decrease in cash and cash equivalents	(27,684)	(16,801)
Cash and cash equivalents at the beginning of the period	53,569	26,176
Effect of foreign exchange rate changes	(7)	(2)
Cash and cash equivalents at the end of the period, represented by cash and bank balances	25,878	9,373

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

# NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information

Basic House New Life Group Limited (the “Company”) was incorporated in the Cayman Islands on 1 February 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established a place of business in Hong Kong which is located at Unit 204A, 2/F, Century Centre, 44–46 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and, together with its subsidiaries (collectively referred to as the “Group”), are principally engaged in the provision of interior design and fit out solutions as well as overall project management and treasury investment in Hong Kong.

The shares of the Company (the “Share(s)”) are listed on GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These Unaudited Condensed Consolidated Interim Financial Statements are presented in Hong Kong dollars (“HK\$”), and all values are rounded to nearest thousands (“HK\$’000”) except when otherwise stated.

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

## 2 Basis of preparation

The Unaudited Condensed Interim Financial Statements has been prepared on a going concern basis, notwithstanding that the Group had net liabilities of approximately HK\$25,385,000 as at 30 June 2025. In the opinion of the directors, the Group is able to operate as a going concern and has sufficient working capital to finance its operations to meet its financial obligations when they fall due for at least twelve months from the date of approval of these condensed interim financial statements after taking into consideration the following:

- (a) The substantial shareholder of the Company, Mr. Lui Yu Kin, has agreed to provide financial support to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.
- (b) The executive director and Chairman of the Company, Mr. Chan Hung Kai, has agreed to provide financial support to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.
- (c) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business.
- (d) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the condensed consolidated interim financial statements.



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

## 3 Material accounting policies

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in the historical basis, except for certain financial instruments which are measured at fair value, as appropriate.

Except as described below, the material accounting policies and methods of computation used in the Unaudited Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2025 are the same as those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

### **New and amended standards adopted by the Group**

The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2025:

Amendments to HKAS 21      Lack of Exchangeability

The application of new and amended standards effective in respect of the current period had not resulted in significant impact on the Group’s Unaudited Interim Condensed Consolidated Financial Statements. The Group has also not applied any new or amended standards that are not effective in respect of the current period.

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

## 4 Revenue and Segment Information

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Design and fit out		
Design and fit out	21,262	14,250
Maintenance and after sales services	736	796
Others	827	–
	<b>22,825</b>	15,046
Disaggregated by time of revenue recognition within the scope of HKFRS 15		
Over time	21,262	14,250
At point in time	1,563	796
	<b>22,825</b>	15,046

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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

## 4 Revenue and Segment Information (Continued)

Specially, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

- (i) Design and fit out services — provision of integrated interior design, fit out solutions and repair and maintenance services in Hong Kong.
- (ii) Treasury investment — investment in equity securities listed in Hong Kong and derivatives listed in Hong Kong and overseas.

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

#### For the six months ended 30 June 2025

	Design and fit out HK\$'000	Treasury investment HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue	21,998	–	827	22,825
Segment (loss)/profit	(1,265)	1,926	(902)	(241)
Share of profit of an associate				147
Finance income				67
Unallocated other income				201
Unallocated other gains, net				3
Unallocated expenses				(8,972)
Finance costs				(6,978)
Loss before income tax				(15,773)
Income tax expense				(4)
Loss for the period				(15,777)

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

## 4 Revenue and Segment Information (Continued)

For the six months ended 30 June 2024

	Design and fit out HK\$'000	Treasury investment HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue	15,046	–	–	15,046
Segment (loss)/profit	(2,376)	2,523	–	147
Share of loss of an associate				(170)
Finance income				120
Unallocated other income				996
Unallocated other losses, net				(64)
Unallocated expenses				(5,015)
Finance costs				(1,270)
Loss before income tax				(5,256)
Income tax expense				–
Loss for the period				(5,256)

Segment revenue represents revenue from external customers. There were no inter-segment sales for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, share of profits/(losses) of an associate and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

## 4 Revenue and Segment Information (Continued)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

#### Segment assets

	<b>As at 30 June 2025 HK\$'000 (Unaudited)</b>	As at 31 December 2024 HK\$'000 (Audited)
Design and fit out	<b>15,450</b>	17,901
Treasury investment	<b>57,833</b>	14,000
Others	<b>2,065</b>	1,173
Total reportable segment assets	<b>75,348</b>	33,074
Unallocated assets	<b>47,932</b>	67,093
Consolidated assets	<b>123,280</b>	100,167

#### Segment liabilities

	<b>As at 30 June 2025 HK\$'000 (Unaudited)</b>	As at 31 December 2024 HK\$'000 (Audited)
Design and fit out	<b>10,823</b>	16,598
Treasury investment	<b>15,189</b>	–
Others	<b>509</b>	243
Total reportable segment liabilities	<b>26,521</b>	16,841
Unallocated liabilities	<b>122,144</b>	94,046
Consolidated liabilities	<b>148,665</b>	110,887

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

## 4 Revenue and Segment Information (Continued)

### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, goodwill, interest in an associate, amount due from non-controlling interest and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than advance payments received from issue of bonds, amount due to a shareholder, certain borrowings, bonds payable, promissory note payable, convertible bonds and contingent consideration payable.

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

## 4 Revenue and Segment Information (Continued)

### Geographical information

The Group's geographical segments are classified according to the location of its customers. Segment revenue from external customers by location of customers during the period is as follows:

#### Revenue from external customers

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Hong Kong	22,825	15,046

#### Information about major customers

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	4,902	N/A <sup>#</sup>
Customer B	3,109	N/A <sup>#</sup>
Customer C	N/A <sup>*</sup>	2,451
Customer D	N/A <sup>*</sup>	2,000
Customer E	N/A <sup>*</sup>	1,661

\* The revenue from each of the customer C, customer D and customer E for the six months ended 30 June 2025 did not exceed 10% of the total revenue of the Group for the period.

# The revenue from the customer A and customer B for the six months ended 30 June 2024 did not exceed 10% of the total revenue of the Group for that period.



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

## 4 Revenue and Segment Information (Continued)

### Geographical information (Continued)

The Group's geographical segments are also classified by the location of assets. Information about the Group's non-current assets by geographical location are detailed as below:

#### Non-current assets

	<b>As at 30 June 2025 HK\$'000 (Unaudited)</b>	As at 31 December 2024 HK\$'000 (Audited)
Hong Kong	<b>9,898</b>	8,264
The PRC, excluding Hong Kong	<b>117</b>	107
	<b>10,015</b>	8,371

Note: Non-current assets excluded financial assets at fair value through other comprehensive income.

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

## 5 Other income

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Dividend income from equity investments		
— at fair value through other comprehensive income	94	127
— at fair value through profit or loss	1,122	173
	1,216	300
Consultancy fee income	—	129
Management fee income	—	997
Sundry income	201	24
	1,417	1,450

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

## 6 Other gains/(losses), net

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gain on change in fair value of financial assets at fair value through profit or loss (Note 15)	3,839	2,411
Loss on change in fair value of financial liabilities at fair value through profit or loss (Note 18)	(2,854)	–
Reversal of impairment loss on trade receivables, net	148	21
Reversal of impairment loss on contract assets	202	32
Reversal of trade receivables previously written off	170	6
Loss on disposal of a subsidiary	–	(64)
Exchange gains/(losses), net	3	–
Other gains, net	1,508	2,406

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

## 7 Other expenses

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Advertisement costs	1,251	1,303
Auditor's remuneration	525	525
Building management fee	79	45
Depreciation of property, plant and equipment (Note 12)	104	202
Depreciation of right-of-use assets (Note 13)	395	278
Donations	5	—
Legal and professional fees	1,767	855
Travelling and entertainment	606	863
Other operating expenses	3,879	817
	<b>8,611</b>	<b>4,888</b>

## 8 Finance costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
— Amount due to a shareholder	3	65
— Borrowings	75	174
— Bonds payable (Note 19)	6,466	837
— Promissory note payable	12	26
— Convertible bonds (Note 20)	426	169
— Lease liabilities	54	16
	<b>7,036</b>	<b>1,287</b>

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

## 9 Income tax expense

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax		
Hong Kong profits tax	–	–
PRC enterprise income tax	4	–
Income tax expense	4	–

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the relevant periods. No provision for Hong Kong profits tax for both periods has been made in the condensed consolidated interim financial statements as the Group has no assessable profits for both of these periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both of these periods.

## 10 Dividends

No dividend has been paid or declared by the Company for the six months ended 30 June 2025 (30 June 2024: Nil).

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

## 11 Loss per share

### (a) Basic loss per share

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue, as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (in HK\$'000)	(15,612)	(5,879)
Weighted average number of ordinary shares ('000)	360,274	360,274
Basic loss per share (in HK cents)	(4.33)	(1.63)

### (b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company and weighted average number of ordinary shares, as follows:

#### (i) Loss

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the purpose of basic loss per share	(15,612)	(5,879)
Adjustments for the calculation of diluted loss per share	N/A	N/A
Loss for the purpose of diluted loss per share	N/A	N/A

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

## 11 Loss per share (Continued)

### (b) Diluted loss per share (Continued)

#### (ii) Weighted average number of ordinary shares

	Six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	360,274	360,274
Effect of exercise of Share Option 2020	278	470
Weighted average number of ordinary shares for the purpose of diluted loss per share	N/A	N/A

The computation of diluted loss per share for the six months ended 30 June 2025 does not assume the exercise of Share Option 2023 and the conversion of convertible bonds (detailed in note 20) as the exercise price of the Share Option 2023 and the conversion price of the convertible bonds were higher than the average market price for shares for the six months ended 30 June 2025. The computation of diluted loss per share for the six months ended 30 June 2025 does not assume the issue of ordinary shares from contingent consideration payable as the conditions to be satisfied for the issue of shares are not satisfied at the end of the reporting period.

The computation of diluted loss per share for the six months ended 30 June 2024 does not assume the exercise of Share Option 2023 and conversion of convertible bond as the exercise price of Share Option 2023 and conversion price of the convertible bond were both higher than the average market price for shares for the six months ended 30 June 2024.

Diluted loss per share for the six months ended 30 June 2025 and 30 June 2024 are not presented as the effects arising from exercise of the Company's share options granted and conversion of convertible bonds are anti-dilutive.



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

## 12 Property, plant and equipment

During the period, the Group acquired items of property, plant and equipment with a cost of approximately HK\$51,000 (six months ended 30 June 2024: approximately HK\$138,000). Depreciation for items of property, plant and equipment was approximately HK\$104,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$202,000).

## 13 Right-of-use assets

During the period, the Group had additions of right-of-use assets with a cost of approximately HK\$1,580,000 (six months ended 30 June 2024: Nil). Depreciation for items of right-of-use assets charged to profit or loss in respect of the six months ended 30 June 2025 amounted to approximately HK\$395,000 (six months ended 30 June 2024: approximately HK\$278,000).

## 14 Trade and other receivables

	<b>As at 30 June 2025 HK\$'000 (Unaudited)</b>	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables (Note)	<b>5,719</b>	8,213
Less: Provision for impairment of trade receivables	<b>(1,070)</b>	(1,218)
Trade receivables, net	<b>4,649</b>	6,995
Prepayments, deposits and other receivables	<b>18,198</b>	6,998
Current portion	<b>22,847</b>	13,993
Less: Non-current portion: rental deposits	<b>(163)</b>	–
	<b>22,684</b>	13,993

Note:

The carrying amounts of trade receivables are denominated in HK\$.

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

## 14 Trade and other receivables (Continued)

Note: (Continued)

The Group does not grant credit term to customers. The ageing analysis of the Group's trade receivables (after impairment loss recognised) based on invoice date were as follows:

	<b>As at 30 June 2025 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2024 HK\$'000 (Audited)</b>
1–30 days	<b>1,387</b>	3,515
31–60 days	<b>321</b>	783
61–90 days	<b>1,591</b>	741
More than 90 days	<b>1,350</b>	1,956
	<b>4,649</b>	6,995

As of 30 June 2025, trade receivables of approximately HK\$4,649,000 (31 December 2024: approximately HK\$6,995,000) were past due but not considered to be impaired because management closely monitors the credit quality of these customers and is of the view that the customers are of good credit quality and there is no recent history of default regarding the relevant customers.

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

## 15 Financial assets at fair value through profit or loss

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Fair value</b>		
Equity securities listed in Hong Kong	55,045	12,001

Financial assets at fair value through profit or loss, representing equity securities listed in Hong Kong, are all held for trading.

Gain on change in fair value of the equity securities listed in Hong Kong amounted to HK\$3,839,000 (six months ended 30 June 2024: HK\$2,411,000) is included in other gains/(losses), net (Note 6).

The equity securities at 30 June 2025 were pledged to secure a margin loan borrowing from a financial institution amounted to HK\$11,075,000 (year ended 31 December 2024: Nil), carry interest ranged from 1.5% to 6.9% (year ended 31 December 2024: Nil), and is included in borrowings of the Group.

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

## 16 Contract assets and contract liabilities

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Contract assets</b>		
Design and fit out services	6,244	9,799
Less: Impairment loss on contract assets recognised	(354)	(556)
	<b>5,890</b>	9,243
<b>Contract liabilities</b>		
Design and fit out services	1,330	1,777

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance of projects works satisfactorily passing inspection.

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

## 17 Trade and other payables

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables	3,228	11,110
Accrued employee benefit expenses	521	706
Accrued interest on amount due to a shareholder	–	187
Accrued interest on borrowings	111	602
Other accruals and payables	6,166	7,328
Lease liabilities	858	–
	<b>10,884</b>	<b>19,933</b>

The carrying amounts of the trade payables approximate their fair values due to their short-term nature.

The ageing analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 1 month	1,797	7,598
1 to 2 months	70	848
2 to 3 months	324	886
Over 3 months	1,037	1,778
	<b>3,228</b>	<b>11,110</b>

The trade payables are non-interest bearing and are normally settled on terms of within 90 days.

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

## 18 Financial liabilities at fair value through profit or loss

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Fair value</b>		
Futures listed overseas	3,581	—
Short positions in securities listed in Hong Kong	533	—
	<b>4,114</b>	—

Financial liabilities at fair value through profit or loss, representing futures listed overseas and short positions in securities listed in Hong Kong, are held for trading.

Loss on change in fair value of financial liabilities amounted to HK\$2,854,000 (six months ended 30 June 2024: HK\$nil) is included in other gains/(losses), net (note 6).

## 19 Bonds payable

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Unsecured bonds payable		
— Within one year	25,117	24,199
— More than one year, but not exceeding two years	57,458	42,918
	<b>82,575</b>	67,117
Less: Amount shown under current liabilities	<b>(25,117)</b>	(24,199)
Amount shown under non-current liabilities	<b>57,458</b>	42,918

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

## 19 Bonds payable (Continued)

Movements of the bonds payable are as follows:

	<b>Six months ended 30 June 2025 HK\$'000 (Unaudited)</b>	<b>Year ended 31 December 2024 HK\$'000 (Audited)</b>
At beginning of the period/year	<b>67,117</b>	21,943
Proceeds received on issue of bonds	<b>13,400</b>	45,600
Transaction costs incurred for bonds issue	<b>(670)</b>	(2,682)
Interest charge for the period/year	<b>6,466</b>	2,256
Interest paid during the period/year	<b>(3,738)</b>	–
At end of the period/year	<b>82,575</b>	67,117

During the six months ended 30 June 2025, the Company issued unsecured bonds to certain shareholders of the Company and third parties with the aggregate principal amounts of HK\$800,000 (Year ended 31 December 2024: HK\$2,800,000) and HK\$12,600,000 (Year ended 31 December 2024: HK\$42,800,000) respectively, which gave rise to a total proceed of HK\$800,000 (31 December 2024: HK\$2,800,000) and HK\$12,600,000 (Year ended 31 December 2024: HK\$42,800,000) respectively (before expenses).

During the six months ended 30 June 2025 and year ended 31 December 2024, the Company did not repaid any bonds. At 30 June 2025, the bonds payable with the principal amount of HK\$80,550,000 (31 December 2024: HK\$67,150,000) remained outstanding.

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

## 19 Bonds payable (Continued)

An analysis of the bonds payable outstanding at 30 June 2025 is as follows:

Date of issue	Aggregate principal amount of bonds HK\$'000	Interest rate per annum	Maturity date
31 July 2023	1,500	5%	30 July 2025
23 August 2023	9,050	8%	22 November 2025
28 August 2023	10,500	8%	27 November 2025
8 September 2023	500	8%	7 December 2025
8 August 2024	500	8%	7 August 2025
1 December 2024	37,700	12%	30 November 2026
16 December 2024	7,000	12%	15 December 2026
30 December 2024	400	12%	29 December 2026
1 January 2025	1,900	12%	31 December 2026
1 March 2025	200	12%	28 February 2027
1 April 2025	5,300	12%	31 March 2027 (Note)
1 May 2025	600	12%	30 April 2027 (Note)
1 June 2025	5,400	12%	31 May 2027 (Note)
	<b>80,550</b>		

Note: Pursuant to the terms of the relevant bond agreements, the Company has been granted the right for the extension of the maturity date for a further period of two years without any other changes in terms of the bond agreements.



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

## 19 Bonds payable (Continued)

An analysis of the bonds payable outstanding at 31 December 2024 is as follows:

Date of issue	Aggregate principal amount of bonds HK\$'000	Interest rate per annum	Maturity date
31 July 2023	1,500	5%	30 July 2025
23 August 2023	9,050	8%	22 November 2025
28 August 2023	10,500	8%	27 November 2025
8 September 2023	500	8%	7 December 2025
8 August 2024	500	8%	7 August 2025
1 December 2024	37,700	12%	30 November 2026
16 December 2024	7,000	12%	15 December 2026
30 December 2024	400	12%	29 December 2026
	67,150		

The effective interest rate of the bonds payable in respect of the six months ended 30 June 2025 ranged from 4.88% to 15.09% (31 December 2024: from 4.88% to 15.09%) per annum.

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

## 20 Convertible bonds

	Liability components		Derivative components		Equity components		Total	
	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Carrying amount of convertible bonds issued on								
— 22 May 2023	3,447	3,259	–	–	2,234	2,234	5,681	5,493
— 8 January 2025	4,460	–	(200)	–	589	–	4,849	–
At end of the period/year	7,907	3,259	(200)	–	2,823	2,234	10,530	5,493

### (a) Convertible bonds issued on 22 May 2023 (the “Bond A”)

On 22 May 2023, the Company issued 3% convertible bond due on 21 May 2030 with the principal amount of HK\$5,000,000 to a third party for a cash consideration of HK\$5,000,000. The Bond A can be converted into ordinary shares of the Company at an initial conversion price of HK\$1.80 per share at the maturity date on 21 May 2030. The Company is entitled to redeem all or part of the Bond A from the date of issue at the consideration which is equal to the principal amount of the bond redeemed together with any accrued interest.

Under the terms of the Bond A, unless previously redeemed, converted, or purchased and cancelled, the outstanding bond will be redeemed on 21 May 2030 at 100% of principal amount of the bonds together with accrued interest.

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

## 20 Convertible bonds (Continued)

### (a) Convertible bonds issued on 22 May 2023 (the “Bond A”) (Continued)

The Bond A contains two components: liability and equity (the conversion right) elements. The fair value of the liability component and equity component at the date of issue was valued by an external valuer. The fair value of the liability component at the date of issue was estimated using the effective interest rate of approximately 12.20% per annum.

Movements of the liability component and equity component of the Bond A for the six months ended 30 June 2025 and year ended 31 December 2024 are set out below:

	Liability component HK\$'000	Equity component HK\$'000	Total HK\$'000
At 1 January 2024 (Audited)	2,905	2,234	5,139
Imputed interest charge for the year	354	–	354
At December 2024 (Audited)	3,259	2,234	5,493
Imputed interest charge for the period	188	–	188
At 30 June 2025 (Unaudited)	3,447	2,234	5,681

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

## 20 Convertible bonds (Continued)

### (b) Convertible bonds issued on 8 January 2025 (the “Bond B”)

On 8 January 2025, the Company issued 6% convertible bond due on 7 January 2027 at the aggregate principal amount of HK\$4,700,000 to certain third parties for the aggregate cash consideration of HK\$4,700,000. The Bond B can be converted into ordinary shares of the Company at an initial conversion price of HK\$0.6 per share at the maturity date on 7 January 2027 (“Maturity Date”), subject to the Company’s right to extend such date to 7 January 2028.

Under the terms of the Bond B, the interest of the Bond B shall be payable by the Company semi-annually. The Company is entitled to redeem the Bond B on the Maturity Date. Unless agreed in writing by the bondholder of the Bond B, the outstanding principal amount of the Bond B shall not be repaid or prepaid by the Company prior to the Maturity Date. Unless previously redeemed, converted, or purchased and cancelled, the outstanding bond will be redeemed on the Maturity Date at 100% principal amount of the Bond B together with the accrued interest.

The Bond B contains three components: liability and equity (the conversion right) and derivative (the extension right) elements. The fair value of the liability component, equity component and derivative component at the date of issue was valued by an external valuer. The fair value of the liability component at the date of issue was estimated using the effective interest rate of approximately 11.88% per annum.

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

## 20 Convertible bonds (Continued)

### (b) Convertible bonds issued on 8 January 2025 (the “Bond B”) (Continued)

Movements of the liability component, derivative component and equity component of the Bond B are set out below:

	Liability component HK\$'000	Derivative component HK\$'000	Equity component HK\$'000	Total HK\$'000
Fair value of Bond B at date of issue	4,300	(200)	600	4,700
Transaction costs incurred for issue of Bond B	(78)	–	(11)	(89)
Carrying amount at date of issue	4,222	(200)	589	4,611
Imputed interest charge for the period	238	–	–	238
At 30 June 2025 (Unaudited)	4,460	(200)	589	4,849
At 31 December 2024 (Audited)	–	–	–	–

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

## 21 Share capital and share premium

### Authorised share capital

	<b>Number of ordinary shares '000</b>	<b>Nominal value of ordinary shares HK\$'000</b>
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	1,000,000	100,000

### Issued and fully paid share capital and share premium

	<b>Issued and fully paid share capital</b>		
	<b>Number of ordinary shares '000</b>	<b>Nominal value of ordinary shares HK\$'000</b>	<b>Share premium HK\$'000</b>
As at 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	360,274	36,027	134,917

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

## 22 Share-based Payment Transactions

### Equity-settled share option scheme of the Company

#### 2016 Share Option Scheme

The Company's share option scheme was conditionally adopted pursuant to a resolution passed by its sole shareholder on 15 June 2016 (the "2016 Share Option Scheme") and become unconditional on 12 July 2016 for the purpose of attracting and retaining the best available personnel, to provide additional incentive to selected participants, including directors of the Company and eligible employees of the Group to promote the success of the business of the Group. The 2016 Share Option Scheme adopted and became effective on 15 June 2016 for a period of 10 years.

The subscription price of the options granted is the highest of (i) the closing price of the Company's shares on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date offer of grant; (iii) the nominal value of the share.

The maximum number of shares of the Company which may be issued upon exercise of all options granted under the 2016 Share Option Scheme or other schemes adopted by the Company must not in aggregate exceed 30% of its issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2016 Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange.

The 2016 Share Option Scheme was terminated pursuant to a special resolution passed by its shareholders on 20 October 2023. Upon the termination of the 2016 Share Option Scheme, no further share options would be offered under the 2016 Share Option Scheme but the 2016 Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options. Any outstanding options will continue to be valid and exercisable in accordance with the terms of the 2016 Share Option Scheme.

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share option scheme of the Company (Continued)

#### 2023 Share Option Scheme

On 20 October 2023, a new share option scheme was adopted by the shareholders at the extraordinary general meeting of the Company (the “2023 Share Option Scheme”) for the purpose of providing an incentive to selected eligible participants in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group. Eligible participants of the 2023 Share Option Scheme include, among others, (i) any employee (whether full-time or part-time, and including any person who are granted options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group); and (ii) any director (excluding independent non-executive directors of the Company) of any member of the Group.

The 2023 Share Option Scheme has a life of ten years and no options were granted since the date of its adoption.

A summary of the general terms of the 2023 Share Option Scheme are as follows:

(i) *Scheme mandate limit*

The maximum number of shares which may be allotted and issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme.

(ii) *Grant of share options to connected person*

The grant of share options to connected person (including director, chief executive or substantial shareholder of the Company or their respective associates) must be approved by the independent non-executive directors of the Company.

(iii) *Maximum entitlement of each eligible participant*

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares of the Company in issue.



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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share option scheme of the Company (Continued)

#### 2023 Share Option Scheme (Continued)

(iv) *Time of exercise of options*

The exercise period of the share options granted is determinable by the directors of the Company, and ends on a date which is no longer than ten years from the date of grant of the share options.

(v) *Acceptance of offer*

The date of grant of share options shall be accepted by the grantee within 10 days from the date of offer and notify the Company that he/she would accept the offer and the terms of the offer.

(vi) *Subscription price for shares*

The exercise price of share options shall be determinable by the directors of the Company at its absolute discretion, but in any event will not be less than the highest of (i) the closing price of the shares on the Stock Exchange as shown in the Stock Exchange daily quotations sheet on the offer date, which must be a business day; and (ii) the average closing price of the shares as shown in the Stock Exchange daily quotation sheets for the five business days immediately preceding the offer date.

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share option scheme of the Company (Continued)

#### (a) Share Option 2020

On 9 October 2020, certain share options were granted to (and accepted by) the grantees under 2016 Share Option Scheme (the “Share Option 2020”). These share options granted are fully exercisable at the date of acceptance.

Movements in the Share Option 2020 granted and remained outstanding during the six months ended 30 June 2025 and year ended 31 December 2024 are as follows:

	Weighted average exercise price HK\$	Number of share options		Total
		Employees '000	Others '000	'000
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	0.363	947	–	947

The exercise price and exercise period of the share options outstanding as at 30 June 2025 and 31 December 2024 are as follows:

Number of options '000	Exercise price per share HK\$	Exercise period
947	0.363	9 October 2020 to 8 October 2030

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share option scheme of the Company (Continued)

#### (b) Share Option 2023

On 19 January 2023, options to subscribe 22,116,000 shares at the exercise price at HK\$1.10 per share was granted to grantees under 2016 Share Option Scheme, in which options to subscribe 21,930,000 shares were accepted by the grantees and options to subscribe 186,000 shares were cancelled ("Cancelled Share Options"). None of any Cancelled Share Options has been exercised.

Movements in the Share Option 2023 during the six months ended 30 June 2025 and year ended 31 December 2024 are as follows:

	Weighted average exercise price HK\$	Directors '000	Employees '000	Number of share options Others '000	Total '000
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	1.100	7,200	14,400	330	21,930

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share option scheme of the Company (Continued)

#### (b) Share Option 2023 (Continued)

The exercise price and exercise period of the share options outstanding as at 30 June 2025 and 31 December 2024 are as follows:

Number of options '000	Exercise price per share HK\$	Exercise period
330	1.10	19 January 2026 to 18 January 2033
21,600	1.10	19 January 2023 to 18 January 2033

At the end of the reporting period, the Company had approximately 22,877,000 (31 December 2024: 22,877,000) share options outstanding under the Company share option schemes, which represents approximately 6.35% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the capital structure of the Company as at 30 June 2025, result in the issue of approximately 22,877,000 (31 December 2024: 22,877,000) additional ordinary shares of the Company which would give rise to the total proceeds of approximately HK\$24,467,000 (31 December 2024: HK\$24,467,000).

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share award scheme of the Company

On 20 October 2023, the Company has adopted the share award scheme (the "Share Award Scheme"), in which the employees selected by the board of directors of the Company (the "Board") for participation in the Share Award Scheme (the "Eligible Participant") will be entitled to participate and pursuant to which awards will be satisfied by (i) shares of the Company transferred to the Trustee, appointed by the Company, from any person by way of gifts, or (ii) subscribed or purchased by the Trustee by utilizing the funds received by the Trustee.

The purpose of the Share Award Scheme are (i) to recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the Board in accordance with the scheme rules, the Share Award Scheme shall be valid and effective for 10 years from the date of adoption.

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the scheme rules and the trust deed entered into between the Company and the Trustee (the "Trust Deed"). The Trustee shall hold the shares of the Company and the other trust funds (the "Trust Fund") in accordance with the terms of the trust deed (the "Trust Deed").

Pursuant to the term of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any excluded employee) to be a Eligible Participant and grant an award to such Eligible Participant in accordance with the scheme rules. No award shall be granted by the Board to Eligible Participant and no instructions to acquire any shares shall be given by the Board to the Trustee pursuant to the scheme rules where dealings in the shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

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

## 22 Share-based Payment Transactions (Continued)

### Equity-settled share award scheme of the Company (Continued)

Where any grant of awarded shares is proposed to be made to any Eligible Participant who is a director (including an independent non-executive director), such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the remuneration committee of the Company, by all of the other members of the remuneration committee of the Company.

In the event that the grant of an award to any connected person of the Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company shall comply with the applicable reporting, announcement or independent shareholders' approval requirements.

Subject to the scheme rules, the Board shall determine from time to time such vesting criteria and conditions or periods for an award to be vested. Prior to the vesting date, any award made hereunder shall be personal to the Eligible Participant to whom it is made and shall not be assignable and no Eligible Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the awarded shares referable to him/her pursuant to such award.

In the event that prior to or on the vesting date, a Eligible Participant is found to be an excluded employee or is deemed to cease to be an employee, the relevant award made to such Selected Employee shall automatically lapse forthwith and the relevant awarded shares shall not vest on the relevant vesting date but shall remain part of the Trust Fund.

No awarded shares have been granted by the Company during the six months ended 30 June 2025, the year ended 31 December 2024 and since the date of adoption of the Share Award Scheme of 20 October 2023.

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

## 23 Acquisition of subsidiaries

### Acquisitions during the six months ended 30 June 2025

	HK\$'000
Net cash outflow arising from acquisition of	
— Yes Man Finance Company Limited (Note (a))	(199)
— Shenghe Industrial (HK) Limited (Note (b))	(9)
	<hr/>
Net cash outflow from acquisition of subsidiaries	(208)
	<hr/>

Notes:

(a) *Acquisition of Yes Man Finance Company Limited*

On 23 December 2024, the Company entered into a sale and purchase agreement with a third party, under which the Company has agreed to acquire 100% equity interest in Yes Man Finance Company Limited ("Yes Man") for an aggregate cash consideration of HK\$200,000. Completion of the acquisition took place on 2 January 2025.

Yes Man is principally engaged in money lending business in Hong Kong. The acquisition of Yes Man could enable the Group to explore the potential business opportunity to expand the income stream of the Group in future.

The acquisition of Yes Man has been accounted for as acquisition of business using the acquisition method.

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

## 23 Acquisition of subsidiaries (Continued)

### Acquisitions during the six months ended 30 June 2025 (Continued)

Notes: (Continued)

(a) *Acquisition of Yes Man Finance Company Limited (Continued)*

The effect of the acquisition is summarised as follows:

	HK\$'000
Cash consideration paid	200

The acquisition related costs are insignificant and are included in other expenses.

	HK\$'000
Assets acquired and liabilities recognised at the date of acquisition	
Cash and cash equivalents	1
Total identifiable net asset acquired	1

#### Goodwill arising on acquisition

	HK\$'000
Consideration paid	200
Less: net asset acquired	(1)
Goodwill arising on acquisition	199

An analysis of cash flows in respect of the acquisition of Yes Man is as follows:

	HK\$'000
Cash consideration paid	(200)
Cash and cash equivalents acquired	1
Net outflow of cash and cash equivalents	(199)



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

## 23 Acquisition of subsidiaries (Continued)

### Acquisitions during the six months ended 30 June 2025 (Continued)

Notes: (Continued)

(a) *Acquisition of Yes Man Finance Company Limited (Continued)*

Had the acquisition been completed on 1 January 2025, revenue for the six months ended 30 June 2025 of the Group would have been HK\$22,825,000 and loss for the period of the Group would have been HK\$15,777,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of those results.

(b) *Acquisition of Shenghe Industrial (HK) Limited*

On 7 January 2025, the Company entered into a sale and purchase agreement with a third party, under which the Company has agreed to acquire 100% equity interest in Shenghe Industrial (HK) Limited ("Shenghe") for an aggregate cash consideration of HK\$10,000. Completion of the acquisition took place on 16 January 2025. Shenghe is inactive.

The acquisition of Shenghe has been accounted for as acquisition of business using the acquisition method.

The effect of the acquisition is summarised as follows:

	HK\$'000
Cash consideration paid	10

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

## 23 Acquisition of subsidiaries (Continued)

### Acquisitions during the six months ended 30 June 2025 (Continued)

Notes: (Continued)

#### (b) Acquisition of Shenghe Industrial (HK) Limited (Continued)

The acquisition related costs are insignificant and are included in other expenses.

	HK\$'000
Assets acquired and liabilities recognised at the date of acquisition	
Cash and cash equivalents	1
Other receivables	9
<hr/>	
Total identifiable net assets acquired	10
<hr/>	

#### Goodwill arising on acquisition

	HK\$'000
Consideration paid	10
Less: net assets acquired	(10)
<hr/>	
Goodwill arising on acquisition	–
<hr/>	

An analysis of cash flows in respect of the acquisition of Shenghe is as follows:

	HK\$'000
Cash consideration paid	(10)
Cash and cash equivalents acquired	1
<hr/>	
Net outflow of cash and cash equivalents	(9)
<hr/>	

Had the acquisition been completed on 1 January 2025, revenue for the six months ended 30 June 2025 of the Group would have been HK\$22,825,000 and loss for the period of the Group would have been HK\$15,775,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of those results.

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

## 24 Contingent liabilities

The Group did not have any significant contingent liabilities as of 30 June 2025.

During the year ended 31 December 2024, certain customers of design and fit out contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

As at 31 December 2024, the Group had paid for certain refundable deposits with the aggregate amount of HK\$945,000 to an insurance company for surety bonds issued in favour of certain customers by the insurance company amounted to approximately HK\$1,350,000 which remained outstanding at that date. Where the Group fails to provide satisfactory performance to the customers, the customers may demand the insurance company to pay the sum stipulated in the surety bond and the Group may then become liable to compensate the insurance company accordingly. During the six months ended 30 June 2025, the surety bonds amounted to HK\$1,350,000 were released by the customers and the deposits amounted to HK\$945,000 paid to the insurance company were refunded to the Company.

## 25 Related-party transactions

- (a) In addition to transactions and balances with certain related parties disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Management fee income from an former associate	–	997
Loan interest expense to a director	–	41
Loan interest expense to a shareholder	3	65
Convertible bonds interest expenses to shareholders	10	–
Bonds interest expenses to shareholders	750	419
	<b>763</b>	<b>1,522</b>

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

## 25 Related-party transactions (Continued)

(b) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Basic salaries, bonus and allowance (Note)	<b>1,893</b>	2,623
Pension costs — defined contribution plan	<b>131</b>	110
	<b>2,024</b>	2,733

Note: The amount include housing allowance to key management amounted to HK\$90,000 (six months ended 30 June 2024: nil).

## 26 Events after the end of the reporting period

The following events took place subsequent to the end of the reporting period:

On 21 August 2025, the Company disposed of certain listed securities at an aggregate consideration of approximately HK\$13,000,000 (before expenses) on the open market, which gave rise to a gain on disposal of approximately HK\$1,700,000. Details of the disposals are set out in the Company's announcement dated 21 August 2025.

## 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 summarised below:

- Failure to obtain new contracts could materially affect our financial performance;
- We rely on our management team in operating our business;
- We rely on our ability to successfully meet customers' and end users' preference by delivering our interior design solutions in a timely manner;
- We rely on the performance of our project management staff; and
- We rely on our suppliers to complete certain projects and are subject to risk arising from the non-compliance, late performance or poor performance by such suppliers. Also, there is no assurance that these suppliers will be able to continue to provide services to us at fees acceptable to us.

### Changes of Directors' Information under Rule 17.50A(1) of the GEM Listing Rules

The Company is not aware of any change in the directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of the 2024 annual report.

### Share Option Scheme

Details of the share option scheme of the Group are set out in Note 22 to the unaudited interim condensed consolidated financial statement.

## SUPPLEMENTARY INFORMATION (CONTINUED)

### Directors' and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporation

As at 30 June 2025, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at 30 June 2025 (%)
Chan Hung Kai	Beneficial owner	18,941,200	3,600,000	22,541,200	6.26
	Interest of spouse	39,600 (Note 1)	–	39,600	0.01
Chung Kar Ho Carol	Beneficial Owner	2,004,000	–	2,004,000	0.56

Note:

- (1) 39,600 shares are owned by Ms. Sze Yee Fun Louisa, who is the spouse of Mr. Chan Hung Kai.

## SUPPLEMENTARY INFORMATION (CONTINUED)

Saved as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

### Substantial shareholder's Interests and/or Short Position in Shares and Underlying Shares of the Company

So far as the Directors are aware, as at 30 June 2025, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations" above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, 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 are listed as follows:

#### Long Positions in Shares and Underlying Shares of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares	Percentage of the Company's issue share capital as at 30 June 2025 (%)
Lui Yu Kin	Beneficial owner	65,738,000	18.25

## SUPPLEMENTARY INFORMATION (CONTINUED)

Saved as disclosed above, as at 30 June 2025, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

### Directors’ Interests in Competing Business

During the six months ended 30 June 2025, none of the directors, or any of their respective close 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.

### Code on Corporate Governance Practices

During the six months ended 30 June 2025, the Board considers that the Company has complied with all the corporate governance codes (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

### Compliance of Code of Conduct for Directors’ Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in 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 our Company during the six months ended 30 June 2025.

### Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2025.



### Audit Committee

The Company established an audit committee on 15 June 2016 with written terms of reference (as adopted and amended on 31 December 2018) in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Mr. Tam Chak Chi (Chairman), Mr. Tang Chi Chiu and Ms. Lau Ho Kwan. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

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 financial information and the interim report for the six months ended 30 June 2025.

As at the date of this report, the executive Directors are Mr. Chan Hung Kai and Mr. Chung Kar Ho Carol; and the independent non-executive Directors are Mr. Tang Chi Chiu, Ms. Lau Ho Kwan and Mr. Tam Chak Chi.