

Hong Kong Entertainment International Holdings Limited 港娛國際控股有限公司

(formerly known as “Wan Cheng Metal Packaging Company Limited 萬成金屬包裝有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

2025
INTERIM REPORT

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Hong Kong Entertainment International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material 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.

Contents

2	Corporate Information
4	Financial Highlights
5	Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
7	Unaudited Condensed Consolidated Statement of Financial Position
9	Unaudited Condensed Consolidated Statement of Changes in Equity
10	Unaudited Condensed Consolidated Statement of Cash Flows
11	Notes to the Unaudited Condensed Consolidated Interim Financial Information
27	Management Discussion and Analysis
38	Disclosure of Other Information

Corporate Information

DIRECTORS

Executive Directors:

Mr. Wang Yun
Mr. Zou Yonggang

Independent Non-executive Directors:

Mr. Wong Sui Chi Frankie
Mr. Wu Chi King
Ms. Yin Suying

AUDIT COMMITTEE

Mr. Wong Sui Chi Frankie (*Chairman*)
Mr. Wu Chi King
Ms. Yin Suying

REMUNERATION COMMITTEE

Ms. Yin Suying (*Chairlady*)
Mr. Wong Sui Chi Frankie
Mr. Wu Chi King

NOMINATION COMMITTEE

Mr. Wu Chi King (*Chairman*)
Mr. Wong Sui Chi Frankie
Mr. Wang Yun

COMPANY SECRETARY

Ms. Tam Mei Chu

COMPLIANCE OFFICER

Mr. Wang Yun

AUTHORISED REPRESENTATIVES

Mr. Wang Yun
Ms. Tam Mei Chu

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

No. 20, G/F
No. 1 Chaogang Road
Gaoli Industrial Zone
Gaoli Community, Ronggui Street
Shunde District, Foshan City
Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F, V. Heun Building
138 Queen's Road Central
Central, Hong Kong

Corporate Information (Continued)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

Dah Sing Bank Limited
Guangdong Shunde Rural Commercial
Bank Company Limited, Ronggui Branch

AUDITOR

Jon Gepsom CPA Limited
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
1003-1005, 10/F
Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

STOCK CODE

8291

COMPANY'S WEBSITE

[https://www.irasia.com/listco/hk/
hkentertainment/](https://www.irasia.com/listco/hk/hkentertainment/)

Financial Highlights

- The Group's revenue for the six months ended 30 June 2025 was approximately RMB24.4 million, representing a decrease of approximately 36.0% when compared to the Group's revenue of approximately RMB38.1 million for the six months ended 30 June 2024.
 - The Group recorded a loss attributable to owners of the Company of approximately RMB0.1 million for the six months ended 30 June 2025, as compared to a loss attributable to owners of the Company of approximately RMB11.1 million for the six months ended 30 June 2024.
 - The board of Directors (the "Board") does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: nil).
 - As at 30 June 2025, the Group's total cash and bank balances were approximately RMB3.6 million (31 December 2024: RMB7.1 million). Gearing ratio of the Group, being the total interest-bearing debt over total assets of the Group, increased from approximately 60.0% as at 31 December 2024 to approximately 82.6% as at 30 June 2025.
- 

Unaudited Condensed Consolidated Interim Results for the six months ended 30 June 2025

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, together with the comparative figures, as follows:

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

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	2	24,396	38,080
Cost of sales		(23,279)	(37,284)
Gross profit		1,117	796
Other gains/(losses), net	2	2,150	(5,516)
Selling expenses		(93)	(770)
Administrative and other expenses		(2,477)	(3,984)
Finance cost	3	(867)	(1,659)
Loss before income tax	5	(170)	(11,133)
Income tax	4	–	–
Loss for the period		(170)	(11,133)
Other comprehensive (expense)/income for the period:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(600)	492
Release of exchange reserve upon disposal of a subsidiary		–	(7)
Other comprehensive (expense)/income for the period		(600)	485
Total comprehensive expense for the period		(770)	(10,648)

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

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss for the period attributable to:			
– owners of the Company		(147)	(11,133)
– non-controlling interests		(23)	–
		(170)	(11,133)
Total comprehensive expense for the period attributable to:			
– owners of the Company		(747)	(10,648)
– non-controlling interests		(23)	–
		(770)	(10,648)
Loss per share	7		
– Basic and diluted (RMB cents)		(0.09)	(6.96)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		As at	
	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	1,718	2,084
Interest in an associate		–	–
		1,718	2,084
Current assets			
Inventories	9	5,810	8,526
Trade receivables	10	5,587	14,640
Financial assets at fair value through profit or loss	11	12,716	9,541
Prepayments and other receivables		4,490	4,813
Pledged bank deposits		–	2,995
Cash and cash equivalents		3,565	4,099
		32,168	44,614
Current liabilities			
Trade and bills payables	12	35,212	52,993
Accruals and other payables		18,415	12,676
Borrowings	13	28,000	28,000
Income tax payable		54	54
		81,681	93,723
Net current liabilities		(49,513)	(49,109)
Total assets less current liabilities		(47,795)	(47,025)

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

	Notes	As at	
		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liability			
Borrowings	13	46,573	46,573
Net liabilities		(94,368)	(93,598)
Capital and reserves			
Share capital	14	27,909	27,909
Reserves		(122,214)	(121,467)
Equity attributable to owners of the Company		(94,305)	(93,558)
Non-controlling interests		(63)	(40)
Capital deficiency		(94,368)	(93,598)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Equity attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Statutory reserve fund	Capital reserve	Share option reserve	Exchange reserve	Other reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	27,909	105,325	3,826	7,200	4,208	6,032	(35,783)	(206,052)	(87,335)	-	(87,335)
Loss for the period	-	-	-	-	-	-	-	(11,133)	(11,133)	-	(11,133)
Other comprehensive income/(expense):											
Exchange differences on translating foreign operations	-	-	-	-	-	492	-	-	492	-	492
Release of exchange reserve upon disposal of a subsidiary	-	-	-	-	-	(7)	-	-	(7)	-	(7)
Total comprehensive income/(expense) for the period	-	-	-	-	-	485	-	(11,133)	(10,648)	-	(10,648)
Lapse of share options (note 15)	-	-	-	-	(479)	-	-	479	-	-	-
Changes in equity for the period	-	-	-	-	(479)	485	-	(10,654)	(10,648)	-	(10,648)
At 30 June 2024 (unaudited)	27,909	105,325	3,826	7,200	3,729	6,517	(35,783)	(216,706)	(97,983)	-	(97,983)
At 1 January 2025 (audited)	27,909	105,325	3,826	7,200	3,729	6,723	(35,783)	(212,487)	(93,558)	(40)	(93,598)
Loss for the period	-	-	-	-	-	-	-	(147)	(147)	(23)	(170)
Other comprehensive expense:											
Exchange differences on translating foreign operations	-	-	-	-	-	(600)	-	-	(600)	-	(600)
Total comprehensive expense for the period	-	-	-	-	-	(600)	-	(147)	(747)	(23)	(770)
Lapse of share options (note 15)	-	-	-	-	(1,266)	-	-	1,266	-	-	-
Changes in equity for the period	-	-	-	-	(1,266)	(600)	-	1,119	(747)	(23)	(770)
At 30 June 2025 (unaudited)	27,909	105,325	3,826	7,200	2,463	6,123	(35,783)	(211,368)	(94,305)	(63)	(94,368)

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash used in operating activities	(1,345)	(14,409)
Net cash from investing activities	1,741	3,455
Net cash used in financing activities	(867)	(1,659)
Net decrease in cash and cash equivalents	(471)	(12,613)
Cash and cash equivalents at the beginning of the period	4,099	20,348
Effect on exchange rate changes on cash and cash equivalents	(63)	264
Cash and cash equivalents at the end of the period	3,565	7,999

Notes to the Unaudited Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Hong Kong Entertainment International Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is 18/F, V. Heun Building, 138 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the "Group") are principally engaged in (i) manufacturing and sales of tinplates and tinplate packaging products (the "Tin Operations") in the People's Republic of China (the "PRC"); and (ii) repackaging and sales of products in Hong Kong.

The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 July 2017.

The functional currency of the Company is Hong Kong dollars ("HK\$") while the functional currency of the subsidiary of the Company established in the PRC is Renminbi ("RMB"). For the purpose of presenting the unaudited condensed consolidated interim financial information, the Group adopted RMB as its presentation currency as to better reflect the financial results and performance of the main operation of the Group.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in consolidated financial position and consolidated financial performance of the Group since the consolidated financial statements for the year ended 31 December 2024. These condensed consolidated interim financial information and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), HKAS and interpretations, as issued by the HKICPA and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION (Continued)

The accounting policies and method of computation adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, except adoption of amendments to HKFRS Accounting Standards as described below.

Going concern consideration

For the six months ended 30 June 2025, the Group incurred a net loss of approximately RMB170,000 and, as at 30 June 2025, the Group had net current liabilities and net liabilities of approximately RMB49,513,000 and RMB94,368,000 respectively. These events or conditions indicate the existence of a material uncertainty which might cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, the condensed consolidated interim financial information of the Group has been prepared on the going concern basis as the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations and to fulfill its financial obligations as and when they fall due in the coming twelve months from 30 June 2025, after taking into consideration the followings:

- (a) as at 30 June 2025, the Group has unutilised banking facilities amounted to RMB52,000,000, (note 13) which was valid until 2 September 2027, for financing the Tins Operation and fulfilling its financial obligation;
- (b) a former director of the PRC subsidiary of the Company (who resigned as a director of the PRC subsidiary of the Company on 19 September 2024) (the "Former Director") has agreed to provide adequate funds for the Tins Operation to meet its liabilities as they fall due;
- (c) the Group may seek other financing resources (including but not limited to issue of shares or obtain other credit facilities) to meet its liabilities and obligations as and when they fall due; and
- (d) the Group continues to improve the operating efficiency by implementing measures to tighten the cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future.

The directors of the Company consider that, after taking into account the aforementioned plans and measures, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from 30 June 2025. Accordingly, the condensed consolidated interim financial information has been prepared on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Should the Group be unable to achieve the above plans and measures such that it would not be continued as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, where applicable. The effect of these adjustments has not been reflected in this condensed consolidated interim financial information.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION (Continued)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards which are effective for the Group's financial year beginning 1 January 2025:

Amendments to HKAS 21

Lack of exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's consolidated financial position and financial performance for the current and prior periods and/or on the disclosures set out in this condensed consolidated interim financial information.

2. REVENUE, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION

The Group's principal activities are (i) the Tin Operations in the PRC; and (ii) repackaging and sales of products in Hong Kong.

Revenue from the Group's principal activities is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time:		
Revenue from sales of tinplate packaging products and tinplates	20,403	38,080
Revenue from repackaging and sales of products	3,993	–
	24,396	38,080
Other gains/(losses), net		
Realised and unrealised fair value gains/(losses) of financial assets at fair value through profit or loss ("FVTPL")	2,146	(5,571)
Gain on disposal of property, plant and equipment (note 8)	4	–
Gain on disposal of a subsidiary	–	55
	2,150	(5,516)

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

2. REVENUE, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION (Continued)

Segment Information

The Group's businesses include (i) the Tin Operations in the PRC; and (ii) repackaging and sales of products in Hong Kong. The Group's chief operating decision makers (the "CODM") have been identified as the executive directors of the Company. The information reported to the CODM, for the purpose of resources allocation and assessment of performance, does not contain discrete segment financial information and the CODM reviewed the financial results of the Group as a whole. Accordingly, no segment information is presented.

Geographical Information

The Group's revenue from external customers by geographical location of customers is detailed below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
The PRC, excluding Hong Kong	20,403	38,080
Hong Kong of the PRC	3,993	–
	24,396	38,080

As at 30 June 2025 and 31 December 2024, all the Group's non-current assets (excluding interest in an associate) are located in the PRC, excluding Hong Kong. Accordingly, no geographical information of non-current assets was disclosed.

Information about major customers

Revenue from major customers, each of whom amounted to 10% (2024: 10%) or more of the Group's revenue is set out below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A (notes (a) and (b))	4,406	N/A
Customer B (notes (a) and (b))	3,910	N/A
Customer C (notes (a) and (b))	2,670	N/A
Customer D (notes (a) and (b))	N/A	14,094
Customer E (notes (a) and (b))	N/A	5,636

Notes:

- (a) Revenue from the Tins Operation.
- (b) The corresponding revenue did not contribute over 10% of the total revenue of the Group for the corresponding period.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

3. FINANCE COST

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expense on borrowings	867	1,659

4. INCOME TAX

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%). No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 and 2024 as the Group has no assessable profits derived in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the enterprise income tax rate of the PRC subsidiary of the Group is 25% for the six months ended 30 June 2025 and 2024. No provision for the PRC enterprise income tax has been made for the six months ended 30 June 2025 and 2024 as the PRC subsidiary of the Group incurred tax losses in the PRC.

The Group is not subject to taxation in other jurisdictions for the six months ended 30 June 2025 and 2024.

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories recognised as an expense	23,279	37,284
Depreciation of property, plant and equipment	595	1,948
Depreciation of right-of-use assets	–	12
Expense related to short-term leases	17	–

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

6. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

7. LOSS PER SHARE

The calculation of basic loss per share are based on the Group's loss for the period attributable to owners of the Company of approximately RMB147,000 (2024: RMB11,133,000) and the weighted average number of shares of 160,000,000 (2024: 160,000,000) in issue during the six months ended 30 June 2025.

The diluted loss per share is the same with the basic loss per share for the six months ended 30 June 2025 and 2024 since the exercise of the outstanding share options of the Company was not assumed as its exercise would have decreased in loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, acquisition of property, plant and equipment of RMB249,000 was made by the Group (2024: RMB100,000).

During the six months ended 30 June 2025, gain on disposal of property, plant and equipment of approximately RMB4,000 (2024: nil) (note 2) was recognised as a result of the receipt of sales proceeds of approximately RMB24,000 (2024: nil) from the disposal of property, plant and equipment with carrying amount of approximately RMB20,000 (2024: nil).

9. INVENTORIES

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials	3,110	5,319
Work-in-progress	54	182
Finished goods	2,646	3,025
	5,810	8,526

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

10. TRADE RECEIVABLES

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables arising from contracts with customers	13,797	22,850
Less: allowance for expected credit losses ("ECL")	(8,210)	(8,210)
	5,587	14,640

The credit terms granted to individual customers varies on a customer by customer basis which is determined by management of the Group with reference to the creditability of a respective customer. The general credit period ranged from 180 days (31 December 2024: 180 days).

An ageing analysis of the Group's trade receivables, net of allowance for ECL and based on invoice date, which approximates to respective revenue recognition date, is as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	1,940	1,473
More than 1 month but not more than 3 months	1,679	2,578
More than 3 months but not more than 6 months	1,223	3,399
More than 6 months but not more than 1 year	745	7,190
	5,587	14,640

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

11. FINANCIAL ASSETS AT FVTPL

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Held for trading:		
– Listed equity securities in Hong Kong	12,716	9,541

The fair value of listed equity securities are based on bid prices as quoted in the Stock Exchange as at the end of each reporting period.

12. TRADE AND BILLS PAYABLES

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	35,212	43,009
Bills payables	–	9,984
	35,212	52,993

The credit period granted by suppliers is normally 90 days (31 December 2024: 90 days).

An ageing analysis of the Group's trade and bills payables, based on invoice date, is as follows:

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	3,412	2,762
More than 1 month but not more than 3 months	8,794	12,276
More than 3 months but not more than 6 months	5,173	6,142
More than 6 months but not more than 1 year	9,661	14,957
More than 1 year	8,172	16,856
	35,212	52,993

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

13. BORROWINGS

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current liabilities		
Secured bank borrowings	28,000	28,000
Non-current liability		
Unsecured borrowings	46,573	46,573
	74,573	74,573

As at 30 June 2025, all bank borrowings are interest bearing at PRC loan prime rate over a spread and are at interest rate of 4.4% per annum (31 December 2024: 4.4% per annum) at the date of drawdown.

As at 30 June 2025, unsecured borrowings of RMB46,573,000 (31 December 2024: RMB46,573,000) are due to the Former Director. The amount is non-trade nature, unsecured, interest-free and repayable on 30 June 2027 (31 December 2024: 30 June 2026).

As at 30 June 2025 and 31 December 2024, the bank borrowings of approximately RMB28,000,000 were secured by the leasehold land and buildings of a company wholly-owned by the Former Director.

The unutilised banking facilities in respect of the bank borrowings as at 30 June 2025 and 31 December 2024 amounted to RMB52,000,000, and these facilities remained valid until 2 September 2027.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

14. SHARE CAPITAL

	Number of shares '000	Nominal value of ordinary shares HK\$'000	Equivalent to RMB'000
Authorised:			
Ordinary shares of HK\$0.20 each			
As at 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	500,000	100,000	83,490
Issued and fully paid:			
Ordinary shares of HK\$0.20 each			
As at 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	160,000	32,000	27,909

15. SHARE OPTION SCHEME

On 23 June 2017, a share option scheme has been approved and adopted by shareholders' resolution (the "Share Option Scheme"). Unless otherwise cancelled or amended subject to resolution passed at general meeting of the Company, the Share Option Scheme will remain in force for ten years from 23 June 2017.

The purpose of the Share Option Scheme is for the Group to attract, retain and motivate talented Participants (as defined below), to strive for future developments and expansion of the Group. The Share Option Scheme shall be an incentive to encourage the Participants (as defined below) to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Group attained through their efforts and contributions.

Eligible participants (the "Participants") of the Share Option Scheme include any directors (including executive directors and independent non-executive directors) and employees of the Group, any directors or employees of a company or entity in which the Group has invested in, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, any directors or employees of any service providers of any members of the Group.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

15. SHARE OPTION SCHEME (Continued)

Notwithstanding any other provisions of the Share Option Scheme, the maximum number of shares in respect of which share options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of shares in issue from time to time. No share option may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such limit being exceeded.

Any grant of options to any directors, chief executive or substantive shareholders (as such terms as defined in the GEM Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme or any other share option scheme of the Company or any of its subsidiaries shall be subject to the prior approval of the independent non-executive directors or shareholders of the Company as the case may be. Without prior separate approval from the Company's shareholders, the maximum number of shares issued and to be issued in respect of which options granted and may be granted to a substantial shareholder or an independent non-executive director of the Company in the 12-month period up to and including the date of such grant shall not (i) exceed 0.1% of the shares of the Company in issue on the date of such grant; and (ii) have an aggregate value, based on the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million.

The subscription price for the shares under the Share Option Scheme shall be a price determined by the board of directors of the Company at its sole discretion and notified to the Participant and shall be no less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which a share option is granted; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which a Share Option is granted; and (iii) the nominal value of a share.

Offer of a share option shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the share option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date of the offer.

The numbers of options available for grant under the Share Option Scheme as at 30 June 2025 and 31 December 2024 were 8,000,000 and 8,000,000 respectively. No service provider sub-limit was set under the Share Option Scheme.

As at 30 June 2025, 10,519,352 (31 December 2024: 18,775,352) shares available for issue under the Share Option Scheme, which represent 6.57% (31 December 2024: 11.73%) of the issued shares (excluding treasury shares) of the Company.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

15. SHARE OPTION SCHEME (Continued)

As at 30 June 2025, the number of shares may be issued in respect of which options had been granted and remained outstanding under the Share Option Scheme was 2,519,352 (31 December 2024: 10,775,352), representing 1.57% (31 December 2024: 6.73%) of the shares of the Company in issue at that date.

Date of grant	Exercisable period	Exercise price (note)				Number of share options				
		Before the Share Consolidation and Rights Issue 1 and Rights Issue 2		Before the Rights Issue 2 and after the Rights Issue 1 and Share Consolidation	After the Share Consolidation, Rights Issue 1 and the Rights Issue 2	As at 1 January 2024 (Audited)	Lapsed during the year ended 31 December 2024 (Audited)	As at 31 December 2024 and the six months ended 30 June 2025 (Audited)	Lapsed during the six months ended 30 June 2025 (Unaudited)	As at 30 June 2025 (Unaudited)
		Before the Share Consolidation, Rights Issue 1 and Rights Issue 2	Issue 2 and after the Rights Issue 1	Rights Issue 1 and Share Consolidation	Rights Issue 1 and the Rights Issue 2	As at 1 January 2024 (Audited)	Lapsed during the year ended 31 December 2024 (Audited)	As at 31 December 2024 and the six months ended 30 June 2025 (Audited)	Lapsed during the six months ended 30 June 2025 (Unaudited)	As at 30 June 2025 (Unaudited)
		HK\$0.78	HK\$0.511	HK\$2.044	HK\$1.981	2,519,352	-	2,519,352	-	2,519,352
10 April 2019	10 April 2019 – 9 April 2029	HK\$0.78	HK\$0.511	HK\$2.044	HK\$1.981	2,519,352	-	2,519,352	-	2,519,352
20 May 2021	20 May 2021 – 19 May 2024	HK\$0.131	N/A	HK\$0.524	HK\$0.508	2,064,000	(2,064,000)	-	-	-
6 April 2022	6 April 2022 – 5 April 2025	HK\$0.1032	N/A	HK\$0.413	HK\$0.400	8,256,000	-	8,256,000	(8,256,000)	-
						12,639,352	(2,064,000)	10,775,352	(8,256,000)	2,519,352
Exercisable as at the end of the reporting period								10,775,352		2,519,352
Weighted average exercise price						HK\$0.728	HK\$0.508	HK\$0.770	HK\$0.400	HK\$1.981

Note: The exercise price of the share options has been adjusted by (i) the share consolidation on 20 September 2022 (the "Share Consolidation"), which the exercise price has been increased according to the Share Consolidation; (ii) the rights issue on 8 January 2021 (the "Rights Issue 1"), which the details of the adjustments on the exercise price have been set out in the Company's announcement dated 11 January 2021; and (iii) the rights issue on 28 October 2022 (the "Rights Issue 2"), which the details of the adjustments on the exercise price have been set out in the Company's announcement dated 27 October 2022.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

15. SHARE OPTION SCHEME (Continued)

The following table discloses movement of the Company's share options held by the directors of the Company, employees and consultants:

Category of Participants	Date of grant	Exercisable period	Number of share options				
			Lapsed during		As at	Lapsed during	
			As at	the year ended	31 December	2024 and	the six months
			1 January	31 December	1 January	30 June	As at
			2024	2024	2025	2025	2025
			(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Executive director	20 May 2021	20 May 2021 –	774,000	(774,000)	-	-	-
– Mr. Wang Yun		19 May 2024					
Executive director	20 May 2021	20 May 2021 –	774,000	(774,000)	-	-	-
– Mr. Zou Yonggang		19 May 2024					
Independent non-executive director	20 May 2021	20 May 2021 –	516,000	(516,000)	-	-	-
– Ms. Ha Yee Lan Elaine		19 May 2024					
(resigned on 17 June 2024)							
Employees	10 April 2019	10 April 2019 –	2,204,440	-	2,204,440	-	2,204,440
		9 April 2029					
	6 April 2022	6 April 2022 –	8,256,000	-	8,256,000	(8,256,000)	-
		5 April 2025					
Consultants	10 April 2019	10 April 2019 –	314,912	-	314,912	-	314,912
		9 April 2029					
			12,839,352	(2,064,000)	10,775,352	(8,256,000)	2,519,352

During the six months ended 30 June 2025, an amount of approximately RMB1,266,000 (2024: RMB479,000) has been debited to share option reserve and reclassified to accumulated losses as a result of the lapse of 8,256,000 (2024: 2,064,000) share options during the six months ended 30 June 2025.

During the six months ended 30 June 2025 and 2024, no share options have been granted by the Company.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

15. SHARE OPTION SCHEME (Continued)

The fair value of share options at grant date was calculated using the binomial option pricing model. The inputs into the model were as follows:

	6 April 2022	21 May 2021	10 April 2019
Exercise price (HK\$)*	0.1032	0.131	0.78
Expected volatility (%)	135	139	40
Expected option life (years)	3	3	10
Expected dividend yield (%)	—	—	—
Risk-free interest rate (%)	0.213	0.213	1.651
Fair value per share option at grant date (HK\$)*	0.05	0.07	0.08

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The binomial option pricing model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the Company's directors' best estimate. The value of an share option varies with different variables of certain subjective assumptions.

* The exercise price and the fair value per share option at grant date presented in the table were not adjusted for the Share Consolidation, Rights Issue 1 and Rights Issue 2.

16. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 inputs:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs:	Unobservable inputs for the asset or liability.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

16. FAIR VALUE MEASUREMENT (Continued)

The Group's financial assets at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets at FVTPL:		
– Listed equity securities in Hong Kong measured at fair value hierarchy Level 1 with reference to the bid prices as quoted in the Stock Exchange	12,716	9,541

There were no transfers between Levels during the six months ended 30 June 2025 and year ended 31 December 2024.

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company considered that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated interim financial information are not materially differ from their fair values.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 June 2025

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the directors of the Company proposed to reorganise the share capital of the Company (the "Capital Reorganisation") by the followings:

- (i) consolidating the shares of the Company on the basis that every 3 issued shares with par value of HK\$0.2 each will be consolidated into one issued share (the "Consolidated Share") with par value of HK\$0.6 each (the "2025 Share Consolidation");
- (ii) subject to and after the 2025 Share Consolidation become effective, to conduct a capital reduction (the "Capital Reduction") by (a) rounding down the total number of the Consolidated Shares to the nearest whole number by cancelling any fraction of the Consolidated Share in the total number of the Consolidated Shares immediately following the 2025 Share Consolidation; and (b) reducing the par value of each Consolidated Share of HK\$0.6 to HK\$0.006 by cancelling the paid-up share capital to the extent of HK\$0.594 on each Consolidated Share; and
- (iii) upon the Capital Reduction becoming effective, each authorised but unissued share of the Company will be sub-divided into 100 new shares of par value of HK\$0.006 each.

The Capital Reorganisation is conditional upon (i) passing of the resolutions by the shareholders of the Company; (ii) approval from the Listing Committee of the Stock Exchange; and (iii) other compliance requirements. At the date of the unaudited condensed consolidated interim financial information, the Capital Reorganisation is still not yet completed.

Adjustment on the share options of the Company will be made upon the completion of the Capital Reorganisation.

Details of the Capital Reorganisation are set out in the Company's announcement dated 22 July 2025 and the Company's circular dated 20 August 2025.

Management Discussion and Analysis

BUSINESS ACTIVITIES

The Group is principally engaged into (i) manufacturing and sales of tinplate packaging products in the PRC; and (ii) repackaging services in Hong Kong. The shares of the Company were listed on GEM of the Stock Exchange (the "Listing") on 18 July 2017. Since the Listing, there has been no significant change in the business operations of the Group.

BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2025, the Group derived revenue principally from the sales of tinplate packaging products in the PRC and provision of repackaging services in Hong Kong. The major products were tin cans and steel pails, which are generally used for storing paint and coatings, and other packaging materials, which are generally used for packing consumables.

The Group recorded a decrease in revenue by approximately RMB13.7 million, or approximately 36.0%, from approximately RMB38.1 million for the six months ended 30 June 2024 to approximately RMB24.4 million for the six months ended 30 June 2025, which was due to the decrease of the sales demand of the Group's products as a result of unexpected economic downturn of the PRC economy during the six months ended 30 June 2025.

The Group recorded a loss of approximately RMB0.2 million for the six months ended 30 June 2025 as compared to approximately RMB11.1 million for the six months ended 30 June 2024. The decrease was mainly attributable to (i) realised and unrealised fair value gains of financial assets at FVTPL of approximately RMB2.1 million (2024: loss of approximately RMB5.6 million) recognised during the six months ended 30 June 2025 as a result of the improvement in the Hong Kong stock market; and (ii) decrease in selling expenses and administrative and other expenses as a result of the cost control implemented by the Group.

Management Discussion and Analysis (Continued)

Looking forward, the Group is going to further consolidate its market share in the tinplate packaging business and to continue to expand its products and services portfolio. As part of its strategy to expand its revenue stream, the Group will plan to expand the sales channel in order to focus on the soliciting of new customers for its product and services portfolio. Despite of the uncertainties of sluggish the PRC economy, the Group aim to achieve stable growth and reduce the concentration risk in any single customer group by the expansion of the customer base. Besides, in order to improve the Group's cash flows, the management team aims to adopt cost control strategy which including but not limited to minimise the fixed overhead costs.

With the Group's experienced management team and reputation in the market, the Directors consider the Group to be well-positioned to compete against its competitors and future challenges.

DEBTS AND CHARGE ON ASSETS

The Group had secured bank borrowings of RMB28.0 million (31 December 2024: RMB28.0 million) and unsecured borrowings of approximately RMB46.6 million (31 December 2024: RMB46.6 million) as at 30 June 2025.

The bank borrowings and other banking facilities are secured by pledge of buildings held by a subsidiary owned by Former Director.

The unutilised banking facilities in respect of bank borrowings as at 30 June 2025 are amounted to approximately RMB52 million (31 December 2024: RMB52 million).



Management Discussion and Analysis (Continued)

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2025, the Group derived the revenue principally from the sale of tinplate packaging products in the PRC and provision of repackaging services in Hong Kong. The Group generally recognises revenue from the sales of tinplate packaging products upon delivery of the products to the customers with their acceptance of the Group's products and also recognises revenue from the provision of repackaging services upon the completion of services to the customers.

Revenue decreased by approximately RMB13.7 million, or approximately 36.0%, from approximately RMB38.1 million for the six months ended 30 June 2024 to approximately RMB24.4 million for the six months ended 30 June 2025. Such decrease was mainly due to the decrease of the sales demand of the Group's products as a result of unexpected economic downturn of the PRC economy during the six months ended 30 June 2025.

Cost of sales

Cost of sales mainly comprised the cost of tinplate coil, tinplate processing costs, ancillary materials and consumables, staff costs, depreciation, utilities and repair and maintenance costs. The cost of sales decreased by approximately RMB14.0 million, or approximately 37.5% from approximately RMB37.3 million for the six months ended 30 June 2024 to approximately RMB23.3 million for the six months ended 30 June 2025. Such decrease was consistent with the decrease in revenue for the six months ended 30 June 2025.

Gross profit and gross profit margin

Gross profit increased from approximately RMB0.8 million for the six months ended 30 June 2024 to approximately RMB1.1 million for the six months ended 30 June 2025.

Gross profit margin increased from approximately 2.1% for the six months ended 30 June 2024 to 4.6% for the six months ended 30 June 2025. The increase was mainly due to the increase in average selling price of the Group's products.

Management Discussion and Analysis (Continued)

Other gains/losses, net

Other gains/losses, net mainly represents the realised and unrealised fair value gains/losses of financial assets at FVTPL, which realised and unrealised fair value gains of financial assets at FVTPL of approximately RMB2.1 million (2024: loss of approximately RMB5.6 million) was recognised during the six months ended 30 June 2025 as a result of the improvement in the Hong Kong stock market.

Selling expenses

The Group's selling expenses mainly included transportation costs for its logistic team, staff costs, entertainment expenses and consumables. Selling expenses decreased by approximately RMB0.7 million, or approximately 87.5% from approximately RMB0.8 million for the six months ended 30 June 2024 to approximately RMB0.1 million for the six months ended 30 June 2025. Such decrease was mainly due to the cost control implemented by the Group.

Administrative and other expenses

The Group's administrative and other expenses mainly included staff costs, building administrative fees, other tax expenses, depreciation, travelling and entertainment, office consumables and supplies, legal and professional fees, listing expenses and other miscellaneous administrative expenses which decreased by approximately RMB1.5 million or 37.5% from approximately RMB4.0 million for the six months ended 30 June 2024 to approximately RMB2.5 million for the six months ended 30 June 2025. Such decrease was mainly due to the cost control implemented by the Group.

Finance cost

The Group's finance cost represents interest expenses on bank borrowings. The finance cost decreased by approximately RMB0.8 million, or approximately 47.1%, from approximately RMB1.7 million for the six months ended 30 June 2024 to approximately RMB0.9 million for the six months ended 30 June 2025. Such decrease was mainly due to the decrease in usage of the banking facilities during the six months ended 30 June 2025.

Management Discussion and Analysis (Continued)

Loss for the period

As a result of the cumulative factors discussed above, the loss for the six months ended 30 June 2025 decreased from approximately RMB11.1 million for the six months ended 30 June 2024 to approximately RMB0.2 million for the six months ended 30 June 2025.

Dividends

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

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the Group funded its liquidity primarily through cash inflows operating activities.

As at 30 June 2025, the Group's total cash and bank balances were approximately RMB3.6 million (31 December 2024: RMB7.1 million). Gearing ratio of the Group increased from approximately 60.0% as at 31 December 2024 to approximately 82.6% as at 30 June 2025. Gearing ratio is defined as total interest-bearing debt over total assets as at the end of the reporting period.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that it can meet the funding requirements.

Management Discussion and Analysis (Continued)

KEY PERFORMANCE INDICATORS (“KPIs”) WITH THE STRATEGY OF THE GROUP

An analysis of the Group’s performance during the period using KPIs in the section “Financial Review” on pages 29 to 31 of this interim report.

PRINCIPAL RISKS, UNCERTAINTY AND RISK MANAGEMENT

The Group’s credit risk is primarily attributable to its trade receivables, other receivables and cash at banks. We have a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade receivables and other receivables, individual credit evaluations are performed on customers. These evaluations focus on their past history of making payments when due and current ability to pay, and take into account information specific to them as well as pertaining to the economic environment in which the customers operate.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

The Group did not carry out any material acquisition nor disposal of any subsidiaries for the six months ended 30 June 2025.

CONTINGENT LIABILITIES

As at 30 June 2025, there were no significant contingent liabilities for the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 58 employees (31 December 2024: 75 employees). Staff costs of the Group (including Directors’ emoluments, wages, salaries and other benefits and contribution to defined contribution pension plans) amounted to approximately RMB1.3 million for the six months ended 30 June 2025 (2024: RMB1.8 million). The Group will endeavor to ensure that the employees’ salary levels are in line with industry practice and prevailing market conditions and that employees’ overall remuneration is determined based on the Group’s and the employees’ qualifications and performance.

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2025, the Group held 17 listed equity securities in Hong Kong with the fair value of approximately RMB12.7 million. In light of the recent volatile financial market in Hong Kong, the Group intends to diversify its investment portfolio in order to reduce the relevant concentration and investment risks and will closely monitor the performance of this business. The Group will keep adopting a prudent investment attitude and develop its investment strategy with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

Details of the Group's major equity investments, which has been classified under financial assets at FVTPL, in terms of fair value as at 30 June 2025, are as follows:

Company name/stock code	% of shareholding as at 30 June 2025	Fair value (losses)/gains for the six months ended 30 June 2025 RMB'000	Fair value as at 30 June 2025 RMB'000	% of total Assets of the Group as at 30 June 2025
Equity securities listed in Hong Kong				
Harbour Digital Asset Capital Limited ("HDAC") (913) (note (a))	2.9%	(1,207)	3,750	11.1%
China Investment and Finance Group Limited ("CIFG") (1226) (note (b))	0.4%	1,834	2,481	7.3%
Luxxu Group Limited ("Luxxu") (1327) (note (c))	4.8%	1,142	2,415	7.1%
Other listed securities			4,070	12.0%
			12,716	37.5%

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENTS HELD (Continued)

Notes:

- (a) HDAC is an investment holding company principally engaged in investment in listed and unlisted securities. Based on HDAC's annual report for the year ended 31 December 2024, revenue and loss of HDAC was approximately HK\$2,928,000 and HK\$16,848,000 respectively.

The Group's total investment in HDAC was approximately HK\$1.4 million. As at 30 June 2025, the Group owned 10,390,000 shares of HDAC, representing 2.9% equity interests in HDAC with a carrying amount of the Group's interest in HDAC of approximately HK\$4.1 million, representing approximately 11.1% of the total assets of the Group as at 30 June 2025. Up to 30 June 2025, no dividends was received from HDAC. The fair value of HDAC is based on quoted market prices.

- (b) CIFG is principally engaged in the securities trading and investment holding. Based on CIFG's annual report for the year ended 31 March 2025, revenue and loss of CIFG was approximately HK\$16,402,000 and HK\$5,475,000 respectively.

The Group's total investment in CIFG was approximately HK\$1.0 million. As at 30 June 2025, the Group owned 1,810,000 shares of CIFG, representing 0.4% equity interests in CIFG with a carrying amount of the Group's interest in CIFG of approximately HK\$2.7 million, representing approximately 7.3% of the total assets of the Group as at 30 June 2025. Up to 30 June 2025, no dividends was received from CIFG. The fair value of CIFG is based on quoted market prices.

- (c) Luxxu is principally engaged in the manufacture and trading of watches. Based on Luxxu's annual report for the year ended 31 December 2024, revenue and loss of Luxxu was approximately RMB29,357,000 and RMB51,964,000 respectively.

The Group's total investment in Luxxu was approximately HK\$2.3 million. As at 30 June 2025, the Group owned 10,364,000 shares of Luxxu, representing 4.8% equity interests in LUXXU with a carrying amount of the Group's interest in Luxxu of approximately HK\$2.6 million, representing approximately 7.1% of the total assets of the Group as at 30 June 2025. Up to 30 June 2025, no dividends was received from Luxxu. The fair value of Luxxu is based on quoted market prices.

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENTS HELD (Continued)

Save as disclosed above, none of these investments represented more than 5% of the total assets of the Group as at 30 June 2025.

Investment Policy & Objectives

The Company's primary objective is to achieve long-term capital appreciation and high growth through a diversified portfolio of listed equity securities to make use of our idle money. While our strategic focus is on long-term value creation, the Company retains the flexibility to realize short-term gains when opportunities arise, though such trading activity is not the norm. Our permissible investments are exclusively listed shares on recognized global exchanges. The portfolio will remain diversified across a minimum number of holdings to mitigate risk. The Company is prohibited from using excessive leverage, investing in unlisted securities, or engaging in speculative derivative trading. All decisions are guided by rigorous fundamental analysis.

Risk Management & Control Measures

To safeguard our portfolio, the Company employs a disciplined risk management framework. Liquidity Risk is proactively managed by imposing a stringent tiered limit structure: the allocation to any single less-liquid security is capped at a lower threshold than for liquid holdings, and the aggregate allocation to all such securities is strictly limited to a defined percentage of the total portfolio. This ensures ample overall liquidity for the Company. Position Sizing and Diversification Risk are controlled by maintaining a diversified portfolio with pre-defined limits, ensuring no single investment exceeds a small percentage of the portfolio's value. Counterparty Risk is minimized by executing all trades through reputable, regulated financial institutions.

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENTS HELD (Continued)

Approval and Oversight Mechanisms for Investment Decisions

The Company's investment decisions are governed by a multi-layered approval, which led by our Executive Directors, Mr. Wang Yun and Mr. Zou Yonggang, and oversight framework designed to ensure strict compliance with the GEM Listing Rules and strategic alignment. The Board of Directors retains ultimate authority for approving all material investments, particularly those constituting notifiable transactions.

An internal compliance team, comprising a lawyer and two finance managers, has been formally established. This team is responsible for the initial screening of all proposed transactions involving the trading or subscription of listed securities. Its primary function is to perform the requisite size tests to determine if any applicable percentage ratio exceeds 5%, thereby potentially classifying it as a notifiable transaction.

The governance procedure mandates that if the compliance team identifies a transaction where any percentage ratio exceeds 5%, it must immediately report its findings to the company secretary and provide all relevant details. The transaction cannot be executed until approved. The company secretary then conducts a thorough review to assess the transaction's compliance with all applicable requirements under the GEM Listing Rules. If confirmed as a notifiable transaction, the proposal, along with all related documentation, is formally escalated to the Board of Directors for final approval. This enhanced policy and procedure, which centralizes oversight and mandates pre-approval checks, has been fully implemented to prevent any recurrence of non-compliance.

The Company's securities trading and financial investment activities are primarily led by our Executive Director, Mr. Wang Yun, who possesses over 10 years' experience in financial markets. His expertise is central to the investment identification, analysis, and execution of all investment opportunities. In line with sound corporate governance practices, Mr. Wang Yun's proposed strategies and significant transactions are subject to a rigorous review and approval process overseen by our other Executive Director, Mr. Zou Yonggang. This dual-control mechanism ensures robust oversight, risk assessment, and strategic alignment. Furthermore, it is our standard practice to base all investment decisions on comprehensive due diligence, predefined investment mandates that clearly outline risk parameters and asset allocations, and regular reporting to the Board to ensure full transparency and accountability. This structured approach ensures that our activities are conducted prudently and in the best interests of the Company and its shareholders.

Management Discussion and Analysis (Continued)

SIGNIFICANT INVESTMENTS HELD (Continued)

Approval and Oversight Mechanisms for Investment Decisions (Continued)

Looking ahead, the Directors believe that the future performance of the above investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies. Accordingly, the Group will continue to maintain a diversified portfolio of investment of various industries to minimise the possible financial risks. Also, the Directors will cautiously assess the performance progress of the investment portfolio from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's main operations are in the PRC with most of its transactions settled in RMB. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the six months ended 30 June 2025, the Group did not hedge any exposure to foreign exchange risk.

CAPITAL STRUCTURE

As at 30 June 2025, the Company's issued share capital was HK\$32,000,000, equivalent to approximately RMB27,909,000, and the number of its issued ordinary share was 160,000,000 of HK\$0.2 each. Except for the changes mentioned elsewhere in this interim report, there has been no change in the capital structure of the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group did not have other plans for material investments or capital assets as at 30 June 2025.

Disclosure of Other Information

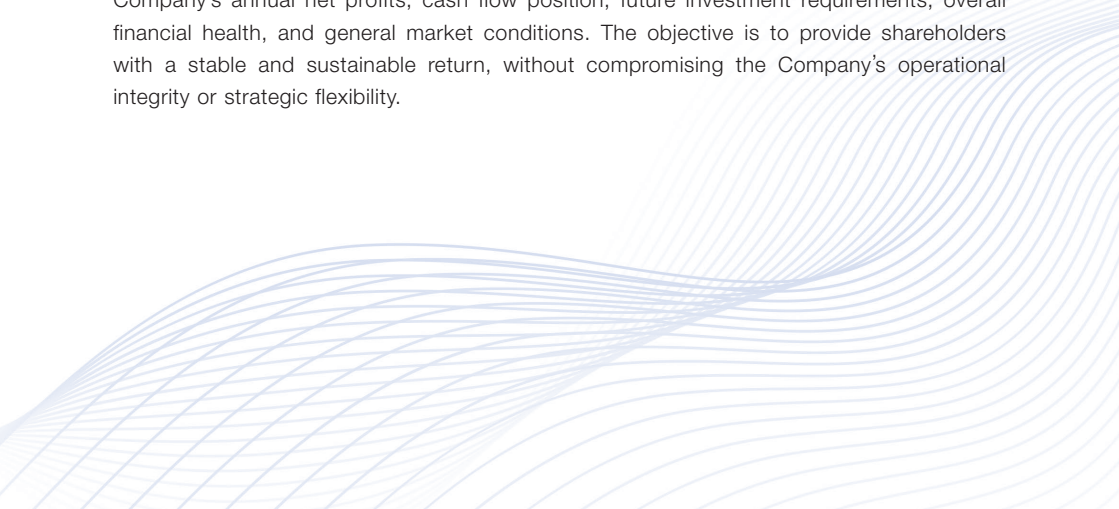
DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2025, save as disclosed elsewhere in the report, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

MEASURE TO ENHANCE SHAREHOLDERS' VALUE

The Company is committed to enhancing long-term shareholder value through a disciplined and strategic capital allocation framework, designed to balance returns to shareholders with the necessary funding for operational excellence and future growth. Our strategy is centered on generating sustainable profitability from our core business operations, which provides the foundational cash flow for all capital allocation decisions.

Our formal dividend policy is designed to balance the rewarding of shareholders with the need to retain capital for future growth opportunities. The Board will consider declaring dividends based on a comprehensive review of factors including, but not limited to, the Company's annual net profits, cash flow position, future investment requirements, overall financial health, and general market conditions. The objective is to provide shareholders with a stable and sustainable return, without compromising the Company's operational integrity or strategic flexibility.



Disclosure of Other Information (Continued)

MEASURE TO ENHANCE SHAREHOLDERS' VALUE (Continued)

Our broader Capital Allocation Strategy prioritizes the following, in order of precedence:

1. **Funding Daily Operations and Core Business Growth:** First and foremost, capital is allocated to ensure the smooth and efficient daily operation of the Company, including working capital needs, essential capital expenditures, and initiatives aimed at strengthening our core business and competitive position.
2. **Strategic Reinvestment for Returns:** After providing for operational needs, retained earnings are allocated to our financial investment activities. These are not undertaken for speculative purposes but are a strategic function to generate additional returns on surplus capital. All such investments are governed by a strict risk management framework – including position sizing limits, liquidity tiers, and diversification requirements – and are focused on listed securities to ensure transparency and liquidity.
3. **Returns to Shareholders:** Excess capital beyond the identified needs for operations, reinvestment, and a strong balance sheet may be returned to shareholders through dividends or other means, subject to Board approval.

All material allocation decisions, including any potential special dividends or share buy-backs, require full Board approval, ensuring they align with our overarching goal of maximizing shareholder value over the long term.

Disclosure of Other Information (Continued)

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

As at 30 June 2025, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person (other than the Directors and chief executive of the Company disclosed above) had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account the Company's financial results, future prospects and other factors, and subject to:

- the Articles of Association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- any banking or other funding covenants by which the Company is bound from time to time;
- the investment and operating requirements of the Company; and
- any other factors that have material impact on the Company.

Disclosure of Other Information (Continued)

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “Share Option Scheme”) on 23 June 2017. For the principal terms of the Share Option Scheme, please refer to “D. Share Option Scheme” in Appendix V to the Prospectus.

Up to 30 June 2025, 2,519,352 share options has been granted by the Company and remained outstanding pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK\$0.20 each of the Company.

Category of participants	Date of grant	Vesting period	Number of share options					Outstanding as at 30 June 2025	Exercisable period	Exercise price per share (HK\$)
			Outstanding as at 1 January 2025	Granted during the period ended 30 June 2025	Exercised during the period ended 30 June 2025	Lapsed/ cancelled during the period ended 30 June 2025	Forfeited during the period ended 30 June 2025			
Employees	10 April 2019	No	2,204,440	-	-	-	-	2,204,440	10 years	1.981
	6 April 2022	No	8,256,000	-	-	(8,256,000)	-	-	3 years	0.400
Consultants	10 April 2019	No	314,912	-	-	-	-	314,912	10 years	1.981
			10,775,352	-	-	(8,256,000)	-	2,519,352		

Disclosure of Other Information (Continued)

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

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

DIRECTORS' INTERESTS IN CONTRACTS

As at 30 June 2025, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

As at 30 June 2025, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding Directors' securities transactions up to the date of this report.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors consider that up to the date of this interim report, the Company has applied the principles and complied with all the applicable code provisions set out in Appendix 15 – Corporate Governance Code to the GEM Listing Rules ("CG Code").

Disclosure of Other Information (Continued)

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “Audit Committee”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Wong Sui Chi (chairman), Mr. Wu Chi King and Ms. Yin Suying, all of whom are independent non-executive Directors.

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and this report. The condensed consolidated interim financial information for the six months ended 30 June 2025 is unaudited, but has been reviewed by the Audit Committee.

By order of the Board

Hong Kong Entertainment International Holdings Limited

Wang Yun

Executive Director

Hong Kong, 29 August 2025

As at the date of this report, the executive Directors are Mr. Wang Yun and Mr. Zou Yonggang and the independent non-executive Directors are Mr. Wong Sui Chi, Mr. Wu Chi King and Ms. Yin Suying.