



Hing Lee (HK) Holdings Limited 興利(香港)控股有限公司

(Incorporated in the British Virgin Islands and re-domiciled and
continued in Bermuda with limited liability)

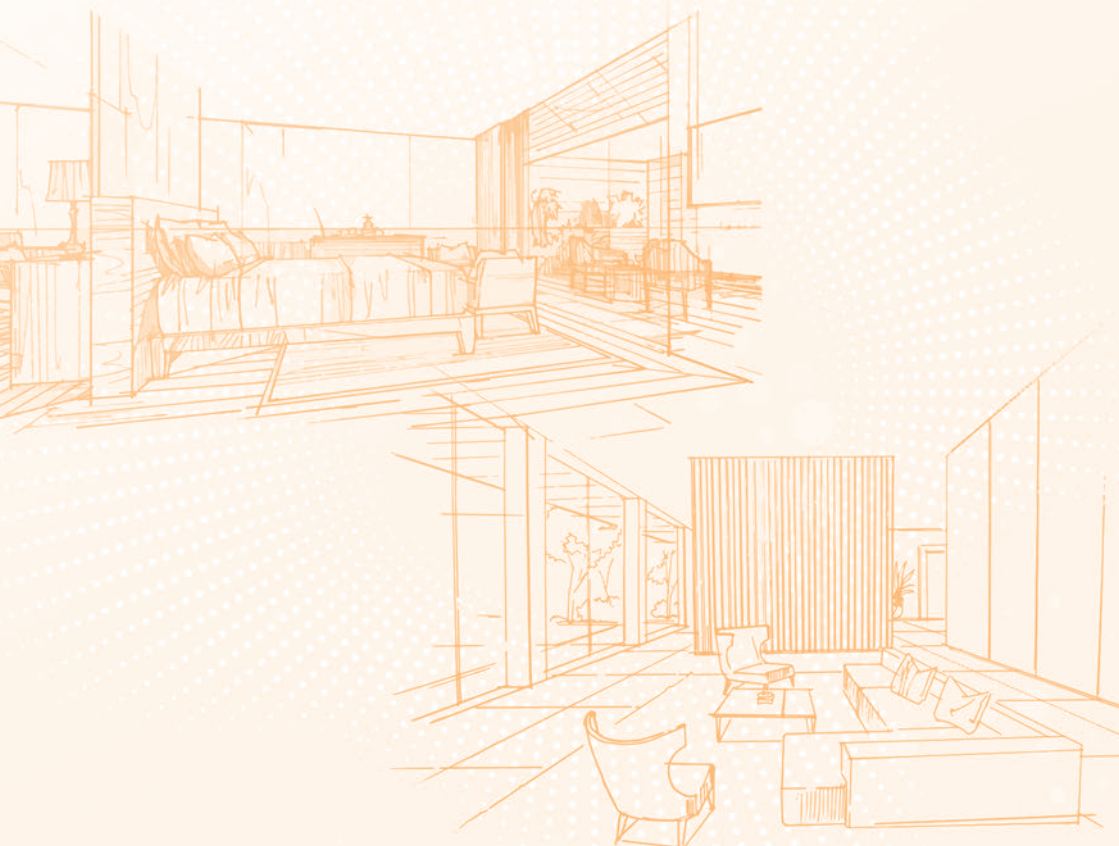
Stock code : 396



INTERIM REPORT
2025

CONTENTS

	<i>Page</i>
Corporate information	2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of profit or loss and other comprehensive income	4
Condensed consolidated interim financial position	5
Condensed consolidated interim statement of changes in equity	6
Condensed consolidated interim cash flows statement	7
Notes to the condensed consolidated interim financial statements	8
Management discussion and analysis	17
Corporate governance and other information	20





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sung Kai Hing

(Chairman and Chief Executive Officer)

Mr. Cheung Kong Cheung

Independent non-executive Directors

Mr. Kong Hing Ki

Mr. Feng Jianzhong

Ms. Leung Yuen Man

AUDIT COMMITTEE

Mr. Kong Hing Ki *(Chairman)*

Mr. Feng Jianzhong

Ms. Leung Yuen Man

REMUNERATION COMMITTEE

Ms. Leung Yuen Man *(Chairman)*

Mr. Feng Jianzhong

Mr. Kong Hing Ki

NOMINATION COMMITTEE

Mr. Feng Jianzhong *(Chairman)*

Mr. Sung Kai Hing

Mr. Cheung Kong Cheung

Mr. Kong Hing Ki

Ms. Leung Yuen Man

COMPANY SECRETARY

Mr. Wong Kit Wai, FHKICPA, FCIS

AUTHORISED REPRESENTATIVES

Mr. Sung Kai Hing

Mr. Wong Kit Wai

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

China Construction Bank Corporation

Shenzhen Rural Commercial Bank

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1101, 11th Floor, Delta House

3 On Yiu Street, Shatin, New Territories

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

LEGAL ADVISERS

Sit, Fung, Kwong & Shum

Beijing Yingke Law Firm Shenzhen Office

Conyers Dill & Pearman

AUDITORS

Baker Tilly Hong Kong Limited

Certified Public Accountants

HONG KONG SHARE REGISTRAR

Union Registrars Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services

(Bermuda) Limited

STOCK CODE

396

COMPANY WEBSITE

www.hingleehk.com.hk

INTERIM RESULTS

The board of directors (each a “Director”, collectively the “Board”) of Hing Lee (HK) Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Period”) with comparative figures for the corresponding period in 2024.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Notes			
Turnover	3	50,446	61,530
Cost of sales		45,051	52,385
Gross profit		5,395	9,145
Other net income		932	784
Selling and distribution expenses		(2,167)	(2,415)
Administrative expenses		(1,522)	(4,815)
Profit from operations		2,638	2,699
Finance costs		(41)	(1,602)
Profit before taxation	4	2,597	1,097
Income tax	5	1	(37)
Profit for the period		2,598	1,060
Attributable to:			
Equity shareholders of the Company		2,598	1,060
		(HK cents)	(HK cents)
Profit per share attributable to the equity holders of the Company			
– Basic and diluted	6	0.01	0.01
		HK\$'000	HK\$'000
Dividend	7	8,081	–

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial statements.

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

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	<u>2,598</u>	<u>1,060</u>
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries (after tax)	<u>240</u>	<u>(51)</u>
	<u>240</u>	<u>(51)</u>
Total comprehensive income for the period	<u><u>2,838</u></u>	<u><u>1,009</u></u>
Total comprehensive income attributable to		
– equity shareholders of the Company	<u><u>2,838</u></u>	<u><u>1,009</u></u>

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL POSITION

		As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	8	799	1,146
Right-of-use asset	9	190	1,883
		<u>989</u>	<u>3,029</u>
Current assets			
Inventories		3,129	3,721
Trade and other receivables	10	30,661	32,619
Cash and cash equivalents		31,779	26,948
		<u>65,569</u>	<u>63,288</u>
Current liabilities			
Trade and bills payables	11	8,013	7,304
Other payables and accrued charges		3,338	4,599
Lease liabilities		202	2,247
		<u>11,553</u>	<u>14,150</u>
Net current assets		<u>54,016</u>	<u>49,138</u>
Total assets less current liabilities		<u>55,005</u>	<u>52,167</u>
Non-current liabilities			
Provision for long service payments		168	168
		<u>168</u>	<u>168</u>
Net assets		<u>54,837</u>	<u>51,999</u>
Capital and reserves			
Share capital	12	8,081	8,081
Reserves		46,756	43,918
Total equity		<u>54,837</u>	<u>51,999</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Unaudited)
Attributable to equity shareholders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Statutory reserve fund HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	(Accumulated losses)/ retained profits HK\$'000	Total Equity HK\$'000
At 1 January 2025	8,081	-	7,455	(6,226)	1,041	-	(24,862)	66,510	51,999
Change in equity	-	-	-	-	-	-	-	2,598	2,598
Profit for the period	-	-	-	240	-	-	-	-	240
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	240	-	-	-	2,598	2,838
Appropriation of reserve	-	-	-	-	137	-	-	(137)	-
At 30 June 2025	8,081	-	7,455	(5,986)	1,178	-	(24,862)	68,971	54,837
At 1 January 2024	8,081	176,627	-	3,584	5,541	7,445	(24,862)	(69,243)	107,173
Change in equity	-	-	-	-	-	-	-	1,060	1,060
Profit for the period	-	-	-	-	-	-	-	1,060	1,060
Other comprehensive loss	-	-	-	(51)	-	-	-	-	(51)
Total comprehensive income for the period	-	-	-	(51)	-	-	-	1,060	1,009
Appropriation of reserve	-	-	-	-	148	-	-	(148)	-
At 30 June 2024	8,081	176,627	-	3,533	5,689	7,445	(24,862)	(68,331)	108,182

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial statements.



CONDENSED CONSOLIDATED INTERIM CASH FLOWS STATEMENT

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Net cash generated from operating activities	6,916	6,456
Net cash used in investing activities	—	—
Net cash used in financing activities	<u>(2,114)</u>	<u>(975)</u>
Net increase in cash and cash equivalents	4,802	5,481
Effect of foreign exchange rate changes	29	(62)
Cash and cash equivalents at the beginning of the period	<u>26,948</u>	<u>33,510</u>
Cash and cash equivalents at the end of the period	<u><u>31,779</u></u>	<u><u>38,929</u></u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u><u>31,779</u></u>	<u><u>38,929</u></u>

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial statements.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General Information

The Company was incorporated in the British Virgin Islands (“BVI”) on 20 April 2004 and was re-domiciled and continued in Bermuda with limited liability on 30 March 2007. The registered office address is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 1101, 11th Floor, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.

The principal business activities of the Group are the design, manufacture, sale and marketing of home furniture products including mainly wood-based furniture, sofa, mattresses, provision of promotional services relating to layout design, fitting and display of products and licensing of its own brands and product designs.

These condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. The condensed consolidated interim financial statements were approved by the Board for issue on 15 August 2025.

The condensed consolidated interim financial statements have not been audited, but have been reviewed by the audit committee of the Company.

2 Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies and basis of preparation adopted in these Interim financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2024, except for the adoption of new Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA as disclosed below:

The HKICPA has issued the following amendment to HKFRS that are first effective for the current accounting period of the group:

Amendments to HKAS 21

Lack of Exchangeability

The above amendment did not have any impact on the results and financial position for the current or prior periods prepared or presented in this interim financial report.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Segment Reporting

(a) Operating segment information

All of the Group's products are of a similar nature and subject to similar risk and returns. The Group's operating activities are attributable to a single operating segment.

(b) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and prepaid lease payments. The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

Revenue from external customers

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Asia (excluding the People's Republic of China ("PRC"))*	34,127	41,274
Europe	3,215	2,991
PRC	2,766	3,146
The United States of America	10,338	14,119
	<u>50,446</u>	<u>61,530</u>

Specified non-current assets

	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Asia (excluding the PRC)	192	419
PRC	797	2,610
	<u>989</u>	<u>3,029</u>

* Asia mainly covers Japan, Middle East and Southeast Asia. Europe mainly covers France and Germany.

4 Profit before taxation

Profit before taxation is arrived at after charging and crediting the following items:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
After charging		
(a) Finance cost		
Interest on borrowings	–	1,443
Interest expense on the lease liabilities	41	159
	41	1,602
(b) Other items		
Auditor's remuneration	300	350
Cost of inventories sold	45,050	52,385
Staff costs (including Directors' emoluments)		
– Directors' emoluments	1,157	659
– Others	3,791	8,090
Depreciation of		
– Property, plant and equipment	1,237	1,237
– Right-of-use assets	1,715	1,978
Foreign exchange loss, net	–	287
After crediting		
Foreign exchange gain, net	1,241	–
Interest income	333	452

5 Income Tax

(a) Taxation in the condensed consolidated interim income statements represents:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
– PRC enterprise income tax	–	37
– overprovision of PRC enterprise income tax	(1)	–
	<u>(1)</u>	<u>37</u>

- (i) Pursuant to the income tax rules and regulations, the Group is not subject to income tax in Bermuda and the BVI.
- (ii) No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 (six month ended 30 June 2024: Nil) as the Company and subsidiaries incorporated or domiciled in Hong Kong have either no assessable profits or sustained tax losses for taxation purposes during the period.
- (iii) The subsidiaries in the PRC are subject to a standard enterprise income tax rate of 25% for the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

(b) Deferred taxation

As at 30 June 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$54,638,000 (30 June 2024: HK\$70,274,000) as it is not probable that future taxable profits, against which the assets can be utilised, will be available in relevant tax jurisdiction and entity. Of the total tax losses, HK\$23,000,000 (30 June 2024: HK\$25,553,000) will expire within 5 years and the remaining tax losses of HK\$31,638,000 (30 June 2024: HK\$45,326,000) have no expiry date under the current tax legislation.

The Company does not have any material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements (30 June 2024: Nil), and therefore, no provision for deferred tax has been made.

6 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$2,598,000 (six months ended 30 June 2024: HK\$1,060,000) and the weighted average of 808,096,025 (six months ended 30 June 2024: 808,096,025) ordinary shares in issue during the period. As the Company does not have any potential dilutive ordinary shares during the period ended 30 June 2025 and 2024, basic and diluted earnings per share are the same.

7 Dividend

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend declared – HK1 cent per share (2024: Nil)	<u>8,081</u>	<u>–</u>
	<u><u>8,081</u></u>	<u><u>–</u></u>

The Board has declared an interim dividend of HK1.0 cent (six months ended 30 June 2024: Nil) per share for the six months ended 30 June 2025 payable on 9 September 2025 to shareholders whose names appear on the register of members of the Company as at the close of business on 2 September 2025. These condensed consolidated interim financial statements have not reflected the dividend payable.

A special dividend of HK7.51 cents per share was approved and paid by the Company on 30 August 2024.

8 Property, plant and equipment

	Property, plant and equipment <i>HK\$'000</i> (Unaudited)
Six months ended 30 June 2025	
Net book value as at 1 January 2025	1,146
Exchange realignment	18
Depreciation and amortization	<u>(365)</u>
Net book value as at 30 June 2025	<u><u>799</u></u>
Six months ended 30 June 2024	
Net book value as at 1 January 2024	75,448
Exchange realignment	(580)
Depreciation and amortization	<u>(1,237)</u>
Net book value as at 30 June 2024	<u><u>73,631</u></u>

9 Right-of-use assets

	Properties HK\$'000 (Unaudited)	Land use rights HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 June 2025			
Net book value as at 1 January 2025	1,883	–	1,883
Exchange realignment	22	–	22
Depreciation	(1,715)	–	(1,715)
	<u>190</u>	<u>–</u>	<u>190</u>
Net book value as at 30 June 2025			
Six months ended 30 June 2024			
Net book value as at 1 January 2024	5,365	16,762	22,127
Exchange realignment	(198)	(118)	(316)
Depreciation	(1,722)	(256)	(1,978)
	<u>3,445</u>	<u>16,388</u>	<u>19,833</u>
Net book value as at 30 June 2024			

10 Trade and other receivables

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	30,066	36,284
Less: Loss allowance	(3,150)	(5,713)
	<u>26,916</u>	<u>30,571</u>
Deposits paid to suppliers	–	73
Value added tax recoverable	251	382
Other deposits, prepayments and receivables	3,517	1,616
	<u>3,768</u>	<u>2,071</u>
Less: Loss allowance	(23)	(23)
	<u>3,745</u>	<u>2,048</u>
	<u>30,661</u>	<u>32,619</u>

The amount of deposits and prepayments expected to be recovered or recognised as expense after more than one year is HK\$866,000 (2024: HK\$841,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 3 months	18,170	18,947
3 months to 1 year	7,995	10,625
Over 1 year	751	999
	<u>26,916</u>	<u>30,571</u>

Trade debtors and bills receivable are non-interest bearing and are normally due within 30 to 90 days from the date of billing. The Group performs ongoing credit evaluation of the debtors' financial condition and maintains an account for allowance for doubtful debts based upon the expected collectibles of all trade and other receivables.

11 Trade and bills payables

The ageing analysis of trade and bills payables (including amounts due to related parties of trading in nature) based on invoices date were as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 3 months	7,506	6,670
3 months to 1 year	507	628
Over 1 year	–	6
	<u>8,013</u>	<u>7,304</u>

All trade and other payables, except for those balances classified as non-current liabilities, are expected to be settled within one year.

12 Share capital

(i) Authorised and issued share capital

	(Unaudited) 30 June 2025		(Audited) 31 December 2024	
	Number of ordinary shares of HK\$0.01 each	Amount HK\$'000	Number of ordinary shares of HK\$0.01 each	Amount HK\$'000
Authorised:				
At 1 January	3,000,000,000	30,000	3,000,000,000	30,000
Increase	—	—	—	—
At the end of the period/year	<u>3,000,000,000</u>	<u>30,000</u>	<u>3,000,000,000</u>	<u>30,000</u>
Issued and fully paid:				
At 1 January	808,096,025	8,081	808,096,025	8,081
Shares issued under share option scheme	—	—	—	—
At the end of the period/year	<u>808,096,025</u>	<u>8,081</u>	<u>808,096,025</u>	<u>8,081</u>

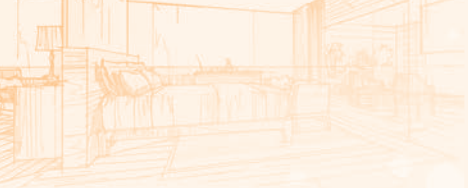
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(ii) Share issued under share option scheme

No option was exercised during the period ended 30 June 2025 (30 June 2024: Nil).

(iii) Terms of unexpired and unexercised share options at the end of the reporting period

There is no unexpired and unexercised share options as at 30 June 2025 (31 December 2024: Nil).



13 Capital commitments

As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
--	--

Contracted for:

– Acquisition of property, plant and equipment

–	–
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The Group had no significant capital commitments authorised but not contracted for at the balance sheet date.

14 Contingent liabilities

The Company did not have any significant contingent liabilities as at 30 June 2025.

15 Material Related Party Transactions

Key management personnel compensation:

(Unaudited) Six months ended 30 June 2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
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Salaries and other short-term benefits

1,822 1,286

Post-employment benefits

18 18

1,840 1,304

Compensation to Directors which formed part of the key management personnel compensation were continuing connected transactions exempt from the connected transaction requirements pursuant to Rule 14A.95 of the Listing Rules.

16 Events after the reporting period

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the six months ended 30 June 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The uncertain outlook of the global macroeconomic landscape under the dynamic rebalancing of the international trading system, along with the slow recovery of China's economy, has led to volatile demand of the Group's furniture products.

The Group has been undergoing constant business transformation throughout the years to streamline its business in order to enhance overall performance. The Group has been focusing on the design, quality control, branding and enhancing its distribution channels of its wood-base furniture as well as after-sales services. Currently, the Group has outsourced its wood-base furniture production to other manufacturers to enhance its production efficiency and flexibility. As a result of the effort of the Group and its asset-light business model, the Group made a profit in the period under review.

The Company adopts effective and conservative operating policies. As a result, the Group does not have any bank borrowings, loans, or material capital commitments. To recognise the continued support of the shareholders, the Board of Directors of the Company has declared an interim dividend.

FINANCIAL REVIEW

Turnover

The Group's turnover decreased by approximately 18.0% from about HK\$61.5 million for the six months ended 30 June 2024 to HK\$50.4 million for the six months ended 30 June 2025.


In the first half of 2025, a series of extreme trade policies and tariff measures introduced by the United States triggered a succession of shocks and vast uncertainties to the global business environment, resulting in a decrease in consumer demand and hence lowered the demand for our products. As a result, the business of the Group has been affected.

Gross Profit

The Group's gross profit margin decreased to approximately 10.7% for the six months ended 30 June 2025 from approximately 14.9% for the six months ended 30 June 2024, primarily due to the ceased of the Group's promotion business in March 2024 which provided a higher profit margin for the six months ended 30 June 2024.

Selling and Distribution Expenses

The Group's selling and distribution expenses amounted to about HK\$2.2 million for the six months ended 30 June 2025, against about HK\$2.4 million for the six months ended 30 June 2024.



Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$1.5 million for the six months ended 30 June 2025, against about HK\$4.8 million for the six months ended 30 June 2024. The decrease in administrative expenses during the period was mainly attributable to two major areas: (1) the reversal of credit impairment on trade receivables of approximately HK\$2.6 million (six months ended 30 June 2024: HK\$0.1 million); and (2) the increase in foreign exchange gain of approximately HK\$1.2 million.

Profit for the Period

Profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately HK\$2.6 million as compared to profit attributable to equity shareholders of the Company of approximately HK\$1.1 million for the corresponding period last year.

PROSPECTS

The Group has been focusing on the overseas markets by exporting its wood-based furniture, sofa and mattress products to overseas countries mainly in Asia, Europe and the United States. The Group will put more effort in research, development and promoting the new products by participating in trade fairs and will make frequent contact with customers to keep them updated on the Group's latest offerings and share the market trend information with the customers to assist them in making favourable procurement decisions. The management of the Group will closely monitor the on-going market trends and customer preferences to ensure that the design and quality of the home furniture products remain aligned with market expectations.

Looking ahead, the world economy is expected to be increasingly constrained by the uncertainties arisen from the lingering geopolitical tensions, higher volatility in interest rates and the potential escalation of trade conflicts, particularly between the US and Mainland China which could significantly interrupt the Group's export business. The management will continuously monitor and review the overall operation and financial performance of the Group's businesses so as to cope with the ever-changing business environment. We will protect our business fundamentals, maintain our agility, vigilance and discipline whilst continuing to adapt to the changing dynamics in consumer behaviour, channels and the market arena. The Group remains cautious but optimistic and is confident that our team and corporate values will capture the foreseeable recovery.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's funding and treasury activities are managed and controlled by the senior management. The Group maintained cash and bank balances of HK\$31.8 million as at 30 June 2025 (31 December 2024: HK\$26.9 million). As at 30 June 2025, the Group had no bank borrowings (31 December 2024: Nil).

As at the same date, the gearing ratio (total debt/total equity) was 0.2 (31 December 2024: 0.3).



As at 30 June 2025, the current ratio (current assets/current liabilities) was 5.7 (31 December 2024: 4.5) and the net current assets amounted to HK\$54.0 million (31 December 2024: HK\$49.1 million).

The ageing analysis of trade creditors and bills payable is set out in Note 11 to the financial statements of this interim report.

FOREIGN CURRENCY RISK

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The Group does not hold or issue material derivative financial instruments for trading purposes or for hedging against fluctuations in foreign exchange rates, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CHARGE OF ASSETS

As at 30 June 2025 and 31 December 2024, the Group did not have any pledged assets.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the period under review.

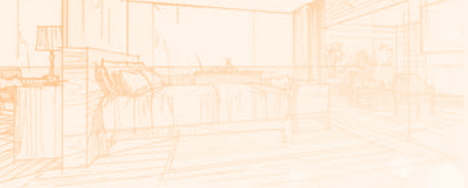
CONTINGENT LIABILITIES

The Company did not have any significant contingent liabilities as at 30 June 2025 and 31 December 2024 (as at 30 June 2024, the Company had contingent liabilities in respect of guarantees given for banking facilities granted to certain subsidiaries to the extent of HK\$88,279,000).

EMPLOYEES

As at 30 June 2025, the Group employed approximately 120 employees (30 June 2024: approximately 130). Total staff cost, including Directors' emoluments, amounted to HK\$8.7 million (30 June 2024: HK\$8.7 million). Salaries are reviewed annually and discretionary bonuses are paid on annual basis with reference to individual performance appraisals, inflation and prevailing market conditions. Other benefits available to eligible employees include employee share option, retirement benefits and medical insurance schemes.

Apart from regular on-the-job training, the Group also engaged professional parties to provide training to its staff to ensure they can obtain updated job related knowledge and enhance the quality of work.



INTERIM DIVIDEND

The Board has declared an interim dividend of HK1.0 cent (six months ended 30 June 2024: Nil) per share for the six months ended 30 June 2025 payable on Tuesday, 9 September 2025 to shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 2 September 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 September 2025 to Tuesday, 2 September 2025, both days inclusive, during which period no transfer of shares will be registered. The record date will be Tuesday, 2 September 2025 and in order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Friday, 29 August 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months period ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). As at 30 June 2025, the Company did not hold any treasury shares.

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

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be entered into the register required to be kept under section 352 of the SFO or otherwise were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"), were as follows:

Long positions in shares and the underlying shares of HK\$0.01 each of the Company ("Shares")

Name of Director/ chief executive	Nature of interests	Number of Shares	Approximate percentage of the issued share capital of the Company (Note 1)
Mr. Sung Kai Hing (Note 2)	Beneficial owner and Interest of a controlled corporation	288,596,777	35.71%
Mr. Cheung Kong Cheung (Note 3)	Beneficial owner and Interest of a controlled corporation	62,040,465	7.68%
Mr. Kong Hing Ki	Beneficial owner	900,000	0.11%

Notes:

1. Based on 808,096,025 Shares in issue as at 30 June 2025.
2. The 29,690,000 Shares were held by Mr. Sung Kai Hing and 258,906,777 Shares were held by King Right Holdings Limited ("King Right"), a company beneficially wholly-owned by Mr. Sung Kai Hing, who is also the sole director of King Right. By virtue of the SFO, Mr. Sung Kai Hing is deemed to be interested in the same parcel of Shares in which King Right is interested.
3. The 7,200,000 Shares were held by Mr. Cheung Kong Cheung and 54,840,465 Shares were held by United Sino Limited ("United Sino"), a company beneficially wholly-owned by Mr. Cheung Kong Cheung, who is also the sole director of United Sino. By virtue of the SFO, Mr. Cheung Kong Cheung is deemed to be interested in the same parcel of Shares in which United Sino is interested.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the persons (not being a Director or chief executive of the Company) who have interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares of HK\$0.01 each

Name	Capacity	Number of Shares	Approximate percentage of shareholding (Note 1) %	Note
King Right	Beneficial owner	258,906,777	32.04	2
Ms. Wong Wai King	Family interests	288,596,777	35.71	2
United Sino	Beneficial owner	54,840,465	6.79	3
Ms. Li Xin	Family interests	62,040,465	7.68	3
Golden Sunday Limited ("Golden Sunday")	Beneficial owner	54,840,465	6.79	4
Mr. Chan Kwok Kin	Beneficial owner and Interest of a controlled corporation	62,040,465	7.68	4
Ms. Ho Fung Ying	Family interests	62,040,465	7.68	4
Top Right Trading Limited ("Top Right")	Beneficial owner	51,586,293	6.38	5
Mr. Huang Wei Ye	Beneficial owner and Interest of a controlled corporation	58,936,293	7.29	5
Ms. Ye Jian Qun	Family interests	58,936,293	7.29	5



Notes:

1. Based on 808,096,025 Shares in issue as at 30 June 2025.
2. King Right is a company beneficially wholly-owned by Mr. Sung Kai Hing, who is also the sole director of King Right. Ms. Wong Wai King is the spouse of Mr. Sung Kai Hing and is deemed to be interested in the same parcel of Shares in which Mr. Sung Kai Hing is interested by virtue of the SFO.
3. United Sino is a company beneficially wholly-owned by Mr. Cheung Kong Cheung, who is also the sole director of United Sino. Ms. Li Xin is the spouse of Mr. Cheung Kong Cheung and is deemed to be interested in the same parcel of Shares in which Mr. Cheung Kong Cheung is interested by virtue of the SFO.
4. Golden Sunday is a company beneficially wholly-owned by Mr. Chan Kwok Kin. By virtue of the SFO, Mr. Chan Kwok Kin is deemed to be interested in the same parcel of Shares in which Golden Sunday is interested. Ms. Ho Fung Ying is the spouse of Mr. Chan Kwok Kin and is deemed to be interested in the same parcel of Shares in which Mr. Chan Kwok Kin is interested by virtue of the SFO.
5. Top Right is a company beneficially wholly-owned by Mr. Huang Wei Ye. By virtue of the SFO, Mr. Huang Wei Ye is deemed to be interested in the same parcel of Shares in which Top Right is interested. Ms. Ye Jian Qun is the spouse of Mr. Huang Wei Ye and is deemed to be interested in the same parcel of Shares in which Mr. Huang Wei Ye is interested by virtue of the SFO.

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



SHARE OPTION SCHEME

The Company adopted a share option scheme by the written resolutions of the shareholders on 29 May 2009, which expired on 28 May 2019. The Company adopted a new share option scheme (the “Share Option Scheme”) at its annual general meeting on 17 May 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to full-time or part-time employees, directors, supplier, service provider and business partner of the Company and/or any of its subsidiaries (the “Eligible Participants”) as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not, in aggregate, exceed 10% of the issued share capital of the Company as at the adoption date of the Share Option Scheme on 17 May 2019, such 10% being equivalent to 80,809,602 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report.


No share options were outstanding as at 30 June 2025. There is no share options movement during the period ended 30 June 2025.

Since the adoption date of the Share Option Scheme on 17 May 2019 and up to and including the date of this interim report, no share options were granted under the Share Option Scheme. Therefore, as at 1 January 2025, 30 June 2025 and the date of this interim report, share options to subscribe for a maximum of 80,809,602 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report, were available for grant under the Share Option Scheme.

CORPORATE GOVERNANCE

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors continuously observe the principles of good corporate governance in the interests of shareholders and devote considerable effort to identifying and formalizing best practice.

During the six months ended 30 June 2025, the Company has complied with The Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Listing Rules except for the following deviation:



Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Sung Kai Hing is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same individual provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as the required standard for securities transactions by Directors.

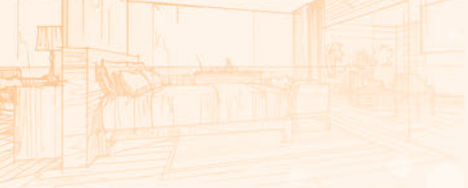
The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the period under review.

AUDIT COMMITTEE

The Company has set up an audit committee (the "Audit Committee") with written terms of reference which are in compliance with the code provisions of the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee currently has three members comprising Mr. Kong Hing Ki (Chairman), Ms. Leung Yuen Man, and Mr. Feng Jianzhong, all being independent non-executive Directors. The Audit Committee has reviewed the unaudited interim financial statements and the interim report for the six months ended 30 June 2025.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee with written terms of reference which are in compliance with the code provisions of the CG Code. The remuneration committee makes recommendations to the Board on, among other matters, the Company's policy and structure for the remuneration of all Directors and the senior management of the Group and are delegated by the Board the responsibility to determine on behalf of the Board the specific remuneration packages for all Directors and the senior management of the Group. The remuneration committee consists of three members namely, Ms. Leung Yuen Man (Chairman), Mr. Feng Jianzhong and Mr. Kong Hing Ki, all being independent non-executive Directors.



NOMINATION COMMITTEE

The Company has set up a nomination committee with written terms of reference which are in compliance with paragraph B.3.1 of the CG Code. The nomination committee shall make recommendations to the Board on appointment of Directors and succession planning for Directors. The nomination committee consists of five members namely Mr. Feng Jianzhong (Chairman), Mr. Sung Kai Hing, Mr. Cheung Kong Cheung, Ms. Leung Yuen Man and Mr. Kong Hing Ki.

AUDIT COMMITTEE REVIEW

The accounting information given in this interim report has not been audited but has been reviewed by the Audit Committee of the Company.

PUBLICATION OF UNAUDITED INTERIM REPORT

The Company's 2025 interim report is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.hingleehk.com.hk.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers and business partners for their continuous supports. My thanks also go to all staff members of the Group for their contributions and commitment to the continuous success of the Group.

By Order of the Board of

Hing Lee (HK) Holdings Limited

Sung Kai Hing

Chairman and Chief Executive Officer

Hong Kong, 15 August 2025