



LION ROCK GROUP LIMITED  
獅子山集團有限公司  
STOCK CODE: 1127

# INTERIM REPORT 2025

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## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group's turnover declined by 13% to HK\$1,094 million (H1 2024: HK\$1,257 million) in the first six months of 2025. This decline was driven by weakness of the global illustrated book market and shifting of global supply chain due to the reciprocal tariffs imposed by the Trump Administration. Profit attributable to owners of the Company declined by 4% to HK\$76.0 million (H1 2024: HK\$79.1 million), primarily due to revenue and profit contribution declines at Regent Publishing, and Quarto.

In the first half of 2025, the global book market remained subdued. According to Circana BookScan, the US book market, the largest globally, experienced a 2% year-on-year decline in unit sales of printed books. This was due to the weak US consumer spending as households worry about tariff-induced price hikes. Performance varied across market segments, with Adult Fiction registering a 1% drop, while Adult Non-Fiction and Children's Books, the categories which our Quarto publishes, declined by 4% and 1% respectively. Similar softness was observed in the UK and Australian book markets. Quarto underperformed in the illustrated book market of Adult Non-Fiction and Children's, the two segments that we operate in during this year of reset.

Although the US book market experienced only a modest single-digit decline, American publishers have reduced offshore printing orders. According to XPORT-IQ, which tracks global freight and goods movement, book shipments to the US from the top 20 offshore printers contracted by double-digit percentage in the first half of the year compared to the same period last year. This drop reflects front-loaded ordering by US publishers in late 2024 ahead of anticipated tariff increases, coupled with reduced print volumes driven by lower consumer confidence amid ongoing trade and tariff uncertainties.

While informational books were ultimately exempt from the reciprocal tariffs imposed by the Trump administration, the uncertainty surrounding US trade policy in the first half of the year had mixed impacts across our operations. Papercraft in Malaysia saw a boost, as publishing clients proactively shifted production away from China in anticipation of potential tariff changes. Left Field Printing, our Australian division, remained largely unaffected due to its focus on the domestic read-for-pleasure market. Asia Pacific Offset experienced minimal disruption, supported by its diversified customer base and supplier network across regions. In contrast, 1010Printing, our China-based facility, faced a decline in sales driven by tariff-related uncertainty. The most significant impact was felt by Regent, our print management unit, which specializes in stationery products and is heavily reliant on US clients.

Despite ongoing disruptions in the Red Sea due to Houthi activity, freight rates have declined as the supply-demand balance continues to soften. This downward trend follows a period of heightened volatility triggered by the announcement of increased US tariffs in April. Since mid-June, rates have steadily decreased, with the spot rate for a 40-foot container in July falling by approximately 50% compared to the same period last year.

China's domestic retail sector continues to exhibit signs of weakness, further impacted by government initiatives aimed at curbing excessive gifting and discretionary spending among officials. These policies have negatively affected packaging printers, prompting a shift by some toward book printing. However, the Chinese book market remains sluggish, with total book sales value in Mainland China declining by 0.3% in the first half of 2025. As domestic demand wanes, more local printers are pursuing overseas book printing orders, leading to heightened competition and surplus capacity. This oversupply has exerted downward pressure on industry-wide printing margins.

## A. PRINT MANUFACTURING

### *1010 Printing, China manufacturing and international sales operations:*

Sales turnover decreased by 22%, reflecting a downturn in market demand for print services. Despite this, profit margins held steady compared to the same period last year. Overall profit rose, supported by favourable foreign exchange movements, reduced operating costs, and lower interest expenses following the phased repayment of bank debt.

### *Left Field Printing Group, Australia manufacturing:*

Left Field Printing recorded a 8% decline in turnover, reflecting slight softness in an otherwise steady local book market. Despite the revenue drop, profit margins improved, reflecting the division's stringent control over operational efficiency. These gains stem from management's rollout of cost control initiatives and the reduction of subcontracted work by performing most of the cover embellishment in-house. Looking ahead, the division aims to further improve performance by exploring alternative sources for text paper.

Additionally, the division completed a tuck-in acquisition of Marvel Printing, a former subcontractor specializing in bookbinding and print finishing. This move is expected to expand production capacity and boost overall efficiency through the consolidation and shared use of production resources.

### *Papercraft, Malaysia manufacturing:*

Papercraft's sales turnover rose by 20%, driven by expanded print service capacity and a shift in publishing clients away from China amid ongoing uncertainty surrounding US tariffs on Chinese products. The management team has made headway in improving paper sourcing, though operational challenges remain a work in progress.

Our investment in Papercraft places the unit roughly five years ahead of China-based competitors. As more printers establish operations in Malaysia, the emergence of a broader ecosystem is expected to benefit the local printing industry, particularly in areas such as sourcing network and freight logistics. However, this growth also presents difficulties in recruiting skilled local labour. Addressing workforce challenges and enhancing margins to sustainable levels remain the unit's core priorities.

## B. PRINT SERVICES MANAGEMENT

### *APOL Group*

APOL's sales turnover decreased by 5% in the first half of the year. However, the drop in revenue was modest compared to other Group units due to a geographically diverse client base and supplier network. Profitability remained steady during the period, with lower operating expenses effectively offsetting the reduction in gross profit. Overall, this represents a highly satisfactory performance within the Group's printing segment.

### *Regent*

Regent reported a 27% drop in sales turnover during the first half of the year as sales decline continued. The division's focus on US stationery products, which are not exempt from US tariffs, made it particularly vulnerable to the slowdown in orders. As a result, clients sought alternative sourcing options in countries such as Vietnam and Thailand, intensifying the impact on Regent's operations. In response, management is intensifying efforts to drive sales growth and broaden its customer base through geographic diversification.

### *Libermata*

Our new division offers procurement consulting services and an online platform that connects book production requirements with book manufacturing suppliers for our publishing clients. This service leverages Quarto's existing procurement system and supplier network, opening print jobs to competitive bidding.

## MANAGEMENT DISCUSSION AND ANALYSIS

It executed the launch of a procurement program for one trans-Atlantic publishing client, achieving multi-million dollar cost savings in print spend. Building on this momentum, Libermata has begun working with a second client in Europe. Through a consulting-led approach, we address key operational challenges faced by publishers while fostering long-term strategic partnerships. As the division remains in its early investment stage, material short-term profit contributions are not yet expected.

### C. PUBLISHING

#### *The Quarto Group*

Quarto reported a 14% revenue decline in the first half of the year, reflecting a downturn in the global illustrated book market. While the overall non-fiction category saw a modest year-on-year dip in the low single digits, core segments for Quarto— such as cooking and gardening— faced steeper declines of 6% and 7% respectively, based on Circana Bookscan data.

As the division's strategic reset continues, performance has clearly lagged behind the broader market. Management is using this period to accelerate structural and process reorganization, aiming to enhance operational agility and position the business for long-term growth.

### PROSPECTS

Profit margins remained stable during the first half of the year; however, competitive pressures among book printers are expected to intensify in the second half. A double-digit contraction in market size during the first half prompted larger printers to adopt aggressive pricing strategies to protect their market share. Smaller players have followed suit, often engaging in unsustainable pricing practices. This challenging environment is likely to persist until supply and demand realign, potentially through market consolidation and the exit of less competitive operators.

With the European Union Deforestation Regulation (EUDR) set to take effect in December 2025, businesses will be required to verify that their pulp and paper products are deforestation-free, supported by geo-tagged sourcing data. As a result, EUDR-compliant paper is expected to carry a mid-single-digit price premium over current offerings. In a buyer's market, passing these additional costs on to publishing clients will be challenging.

Despite ongoing disruptions to Red Sea shipping routes, freight rates have remained low. We expect this trend to continue into the second half of the year, as reciprocal tariff increases by the US on global imports dampen overall trade volumes.

As of August 2025, the Trump Administration has introduced reciprocal tariffs under the International Emergency Economic Powers Act (IEEPA), including additional 30% levy on Chinese goods, 19% on Malaysian goods, and 15% on products from the European Union. Notably, printed informational books are exempt from these tariffs due to specific IEEPA provisions that safeguard access to information by excluding such materials from the regulation. This exemption, combined with lower operating costs in the Far East and the increased capital expenditure faced by US-based printers, particularly due to the 15% tariff on printing equipment imported from the EU and Japan, continues to give Far East printers a competitive edge over their US onshore counterparts.

The management is taking a cautious approach as tariff rates and exemption statuses may continue to evolve. One possible scenario is that US courts could rule the IEEPA tariffs unlawful, prompting the Trump administration to shift to other tariff frameworks such as Section 301 (unfair trade practices) or Section 232 (national security), under which informational books may lose their exemption. To mitigate this risk, we are proactively diversifying both geographically and across the book publishing value chain.



Within the Group's printing segment, efforts remain focused on enhancing production efficiency and optimizing paper sourcing at Papercraft and Left Field Printing. Papercraft has steadily increased its production capacity and operational efficiency, earning client trust through improved quality control. Nonetheless, our primary objective remains elevating productivity and profitability to match the standards set by our flagship 1010Printing facility in China.

Left Field Printing continues to operate under margin pressure, stemming from historical factors such as intense industry competition and multi-year contractual commitments with clients, resulting in low prices that cause low margins. These constraints have limited the ability to replace equipment that have become inefficient. Looking ahead, management will engage closely with publishing clients to establish more sustainable margins. This will enable the planned A\$15 million investment over the coming years to modernize the aging machinery fleet, which is an essential initiative to uphold the high production efficiency and service standards our clients depend on.

Quarto is currently undertaking a strategic reset of its publishing operations, encompassing both editorial focus and business processes. The initiative to publish higher-profile titles proved unsustainable, as the company's current sales and marketing capabilities were not sufficiently equipped to support such initiatives. In response, Quarto is refocusing its publishing program toward its core mid-market audience, prioritizing acquisitions of emerging authors and reducing the overall number of titles to ensure greater impact and quality. On the operational front, the company is enhancing workflow systems and adopting data-driven decision-making to boost efficiency and responsiveness. These changes are designed to position Quarto for long-term sustainable growth and increase its agility in the dynamic book publishing market.

Although divisions such as 1010Printing, Papercraft, APOL, and Left Field Printing delivered resilient first-half performance, we expect the Group to face headwinds in the second half of the year as we navigate margin pressures in the printing segment and advance the strategic reset at Quarto. Over the past 24 months, the Group has conducted a comprehensive assessment of its cash reserves and debt levels.

We are pleased to announce the declaration of the first interim dividend of 3 cents per ordinary share for the current financial year. This reflects our continued commitment to delivering value to shareholders and underscores the Group's confidence in its financial position and future prospects.

## FINANCIAL REVIEW

Turnover for the six months ended 30 June 2025 decreased by 13.0% to approximately HK\$1,094.0 million (2024: HK\$1,257.3 million). The printing segment saw a 12.5% decline in turnover due to weakened demand in the global book market, particularly in the US, attributed to tariff-related uncertainties. Turnover from the publishing segment experienced a 14.1% drop, driven by the downturn in the global illustrative book market.

Overall gross profit margin remained stable compared with the same period in last year. However, margin in the Australian printing facilities improved, reflecting stringent control over operational efficiency. This effect was offset by the reduced margin in the publishing segment, which faced higher development costs on book production.

Interest income decreased from approximately HK\$10.0 million for the six months period ended 30 June 2024 to HK\$4.9 million for the same corresponding period in 2025. Lower interest income earned was due to the decrease in deposit interest rates and the gradual bank borrowing repayment.



## MANAGEMENT DISCUSSION AND ANALYSIS

Other income increased to approximately HK\$30.2 million for the six months ended 30 June 2025, as compared to approximately HK\$13.7 million for the same period in 2024. The increase was primarily caused by an increase in exchange gain of HK\$17.8 million with a partial offset by the decrease in scrap sales during the period.

Selling and distribution costs decreased from approximately HK\$180.7 million for the six months period ended 30 June 2024 to HK\$175.9 million for the same corresponding period in 2025. Selling and distribution costs against sales increased from 14.4% to 16.1%. The increase was attributed to the higher staff costs against decreased sales for the period and the increase in warehouse fulfillment cost and title marketing costs in the publishing segment.

Administrative expenses decreased to approximately HK\$103.2 million for the six months ended 30 June 2025, as compared to HK\$114.7 million for the same period in 2024. The decrease was due to higher legal and professional fees incurred in 2024 related to corporate projects on de-listing, tender offer and share repurchase in a subsidiary, The Quarto Group, Inc. Additionally, a strategic reset on the publishing segment resulted in the decrease in management-level staff costs in the interim period, while the implementation of an in-house developed title management system also lowered the external system service expenses.

Reversal of provision for impairment of trade receivables of approximately HK\$1.8 million was recognized for the six months period ended 30 June 2025, compared to a provision of HK\$2.2 million for the same period in 2024. This was due to higher recovery of overdue in first half of 2025.

Finance costs decreased to approximately HK\$7.7 million for the six months ended 30 June 2025, as compared with HK\$13.4 million for the corresponding period in 2024. The decrease was attributed to the decrease in bank borrowing rate and the gradual repayment of borrowings in 2025.

Income tax expenses decreased to approximately HK\$15.1 million for the six months ended 30 June 2025 (2024: HK\$24.0 million). This reduction was due to a decline in profit and the tax loss credit arising from higher tax rate jurisdiction.

Profit attributable to owners of the Company amounted to approximately HK\$76.0 million for the six months ended 30 June 2025, compared with approximately HK\$79.1 million to the same period in last year.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had net current assets of approximately HK\$907.1 million (31 December 2024: HK\$947.7 million) of which the cash and bank deposits were approximately HK\$436.1 million (31 December 2024: HK\$500.5 million). The Group's current ratio was approximately 2.5 (31 December 2024: 2.3).

Total bank borrowings and lease liabilities as at 30 June 2025 were approximately HK\$257.8 million (31 December 2024: HK\$299.4 million). Bank borrowings of HK\$77.4 million were denominated in Hong Kong dollars and HK\$11.6 million was denominated in US dollar as at 30 June 2025. All bank borrowings were carried at floating rate and repayable within five years. The Group's gearing ratio as at 30 June 2025 was 14.5% (31 December 2024: 17.2%), which is calculated on the basis of the Group's total interest-bearing debts (comprising bank and other borrowings and lease liabilities) over the total equity interest.

During the period, the Group acquired property, plant and equipment at approximately HK\$24.6 million. The purchase was financed by internal resources.

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

### FOREIGN CURRENCY MANAGEMENT

The Group's sales were mainly denominated in a mixture of currencies, primarily US dollars, Australian dollars, Euros and Pound Sterling. In addition, the Group's costs and expenses are mainly denominated in US dollars, Australian dollars, Pound Sterlings, Hong Kong dollars and Renminbi. From time to time the Group enters into foreign currency exchange contracts to hedge its currency risk.

### MATERIAL ACQUISITION AND DISPOSALS

Except as disclosed in note 17 in the Notes to the Condensed Consolidated Interim Financial Statements, the Group did not have any material acquisitions or disposals which would be required to be disclosed under the Listing Rules.

### PLEDGE OF ASSETS

As at 30 June 2025, the Group had pledged deposit of approximately HK\$0.2 million as a security for the banking guarantee facilities of a subsidiary.

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITY

As at 30 June 2025, the Group had committed to acquire machinery of approximately HK\$5.6 million. The acquisition was financed by the Group's internal resources.

The Group had no significant contingent liability as at 30 June 2025.





The Board of Directors (the “Board”) of Lion Rock Group Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

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

For the six months ended 30 June 2025

		(Unaudited) Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	3	1,094,025	1,257,315
Direct operating costs		(749,850)	(858,068)
<b>Gross profit</b>		344,175	399,247
Interest income		4,925	9,965
Other income		30,180	13,733
Selling and distribution costs		(175,905)	(180,748)
Administrative expenses		(103,220)	(114,703)
Reversal of (provision for) impairment of trade receivables		1,775	(2,198)
Finance costs	4	(7,735)	(13,416)
<b>Profit before income tax</b>	5	94,195	111,880
Income tax expense	6	(15,105)	(24,034)
<b>Profit for the period</b>		79,090	87,846
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange gain (loss) on translation of financial statements of foreign operations		41,316	(14,597)
<b>Other comprehensive income for the period, net of tax</b>		41,316	(14,597)
<b>Total comprehensive income for the period</b>		120,406	73,249
<b>Profit for the period attributable to:</b>			
Owners of the Company		76,043	79,098
Non-controlling interests		3,047	8,748
		79,090	87,846
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		107,519	69,058
Non-controlling interests		12,887	4,191
		120,406	73,249
<b>Earnings per share for profit attributable to owners of the Company during the period</b>	7		
– Basic		HK10.13 cents	HK10.55 cents
– Diluted		HK10.01 cents	HK10.49 cents

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		(Unaudited) At 30 June 2025	(Audited) At 31 December 2024
	Notes	HK\$'000	HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	269,142	237,804
Deposits for acquisition of property, plant and equipment		33,803	13,878
Right-of-use assets	9	157,115	121,080
Intangible assets	10	558,143	525,533
Deferred tax assets		58,375	40,653
		1,076,578	938,948
<b>Current assets</b>			
Inventories		422,682	390,638
Trade and other receivables and deposits	11	642,120	760,127
Financial assets at fair value through profit or loss	20	2,407	–
Pledged deposits		222	209
Cash and cash equivalents		436,095	500,488
		1,503,526	1,651,462
<b>Current liabilities</b>			
Trade and other payables	12	427,170	455,255
Bank borrowings	13	89,048	163,878
Lease liabilities		37,729	31,292
Provisions		30,578	27,780
Provision for taxation		11,916	25,537
		596,441	703,742
<b>Net current assets</b>		907,085	947,720
<b>Total assets less current liabilities</b>		1,983,663	1,886,668
<b>Non-current liabilities</b>			
Other payable		9,783	–
Provisions		4,720	1,817
Lease liabilities		130,995	104,249
Deferred tax liabilities		56,761	38,280
		202,259	144,346
<b>Net assets</b>		1,781,404	1,742,322
<b>EQUITY</b>			
Share capital	14	7,700	7,700
Reserves		1,536,861	1,503,023
<b>Equity attributable to owners of the Company</b>		1,544,561	1,510,723
<b>Non-controlling interests</b>		236,843	231,599
<b>Total equity</b>		1,781,404	1,742,322

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	(Unaudited) For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Operating activities		
Profit before income tax	94,195	111,880
Adjustments for:		
Depreciation of property, plant and equipment	23,551	22,904
Depreciation of right-of-use assets	22,053	21,178
Amortisation and impairment of intangible assets	53,852	51,618
Equity-settled share-based payment expenses	1,430	1,583
(Reversal of) provision for impairment of trade receivables	(1,775)	2,199
Interest income	(4,925)	(9,965)
Interest expenses	7,735	13,416
Written-off of pre-publication cost	4,174	5,311
Loss (Gain) on financial assets at fair value through profit or loss	306	(317)
Loss (Gain) on disposal of property, plant and equipment	180	(17)
Loss on termination of lease contract	–	(4)
Operating profit before working capital changes	200,776	219,786
(Increase) Decrease in inventories	(17,788)	7,121
Decrease (Increase) in trade and other receivables and deposits	141,353	(54,376)
Decrease in trade and other payables and provisions	(43,647)	(19,564)
(Increase) Decrease in financial assets at fair value through profit or loss	(2,713)	555
Cash generated from operations	277,981	153,522
Income taxes paid	(34,363)	(27,902)
Net cash generated from operating activities	243,618	125,620
Investing activities		
Interest received	4,925	9,965
Increase in pledged deposits	–	(93)
Payments for purchases of property, plant and equipment	(24,590)	(21,837)
Payments for right-of-use assets	(1,671)	–
(Increase) Decrease in deposit for acquisition of property, plant and equipment	(19,219)	9,166
Proceeds from disposals of property, plant and equipment	52	774
Payments for addition of intangible assets	(66,720)	(69,514)
Payment on acquisition of business (note 17)	(14,834)	–
Purchase of additional interest in subsidiaries	–	(6,078)
Share repurchase in a subsidiary	–	(157,103)
Net cash used in investing activities	(122,057)	(234,720)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	(Unaudited) For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Financing activities		
Proceeds from new bank borrowing	74,207	50,000
Repayments of bank borrowings	(148,987)	(101,879)
Repayment of other borrowing	(1,562)	–
Interest paid on bank borrowings	(4,215)	(10,002)
Repayments of principal portion of the lease liabilities	(23,618)	(20,250)
Interest portion of the lease liabilities paid	(3,520)	(3,414)
Dividends paid to the owners of the Company	(75,111)	(59,992)
Dividends paid to non-controlling interests	(7,643)	(7,643)
Net cash used in financing activities	(190,449)	(153,180)
Net decrease in cash and cash equivalents	(68,888)	(262,280)
Effect of exchange rate fluctuations, net	4,495	(1,449)
Cash and cash equivalents at the beginning of the period	500,488	780,094
Cash and cash equivalents at the end of the period	436,095	516,365
Analysis of balances of cash and cash equivalents		
Bank balances and cash	436,095	516,365

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company											Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserve	Other reserve	Employee compensation reserve	Share award scheme reserve	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025 (Audited)	7,700	173,078	(117,544)	(136,875)	310,125	737	(35,452)	10,777	(14,211)	1,312,388	1,510,723	231,599	1,742,322
2024 interim and special dividends paid	-	-	-	-	-	-	-	-	-	(77,000)	(77,000)	-	(77,000)
Dividend in relation to share award	-	-	-	-	-	-	-	-	-	1,889	1,889	-	1,889
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,643)	(7,643)
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	-	1,430	-	-	1,430	-	1,430
Lapsed of shares under share award scheme	-	-	-	-	-	-	-	(568)	-	568	-	-	-
Shares vested under share award scheme	-	-	-	-	-	-	-	(406)	406	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	456	406	(74,543)	(73,681)	(7,643)	(81,324)
Profit for the period	-	-	-	-	-	-	-	-	-	76,043	76,043	3,047	79,090
Other comprehensive income													
Currency translation	-	-	31,476	-	-	-	-	-	-	-	31,476	9,840	41,316
Total comprehensive income for the period	-	-	31,476	-	-	-	-	-	-	76,043	107,519	12,887	120,406
Balance at 30 June 2025 (Unaudited)	7,700	173,078	(86,068)	(136,875)	310,125	737	(35,452)	11,233	(13,805)	1,313,888	1,544,561	236,843	1,781,404

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Merger reserve	Contributed surplus	Statutory reserve	Other reserve	Employee compensation reserve	Share award scheme reserve	Proposed final dividend	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024 (Audited)	7,700	173,078	(82,505)	(136,875)	310,125	737	(5,128)	8,893	(15,056)	61,600	1,129,838	1,452,407	348,110	1,800,517
2023 final dividends paid	-	-	-	-	-	-	-	-	-	(61,600)	-	(61,600)	-	(61,600)
Dividend in relation to share award	-	-	-	-	-	-	-	-	-	-	1,608	1,608	-	1,608
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(7,643)	(7,643)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(4,191)	-	-	-	-	(4,191)	(1,887)	(6,078)
Change in shareholding in a subsidiary due to repurchase of shares	-	-	-	-	-	-	(26,015)	-	-	-	-	(26,015)	(131,088)	(157,103)
Recognition of equity-settled share-based payment expenses	-	-	-	-	-	-	-	1,583	-	-	-	1,583	-	1,583
Lapsed of shares under share award scheme	-	-	-	-	-	-	-	(336)	-	-	336	-	-	-
Shares vested under share award scheme	-	-	-	-	-	-	-	(636)	678	-	(42)	-	-	-
Transactions with owners	-	-	-	-	-	-	(30,206)	611	678	(61,600)	1,902	(88,615)	(140,618)	(229,233)
Profit for the period	-	-	-	-	-	-	-	-	-	-	79,098	79,098	8,748	87,846
Other comprehensive income														
Currency translation	-	-	(10,040)	-	-	-	-	-	-	-	-	(10,040)	(4,557)	(14,597)
Total comprehensive income for the period	-	-	(10,040)	-	-	-	-	-	-	-	79,098	69,058	4,191	73,249
Balance at 30 June 2024 (Unaudited)	7,700	173,078	(92,545)	(136,875)	310,125	737	(35,334)	9,504	(14,378)	-	1,210,838	1,432,850	211,683	1,644,533

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 9 March 2011 under the Bermuda Companies Act as an exempted limited liability company. The Company and its subsidiaries (the “Group”) are principally engaged in book publishing and the provision of printing services. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 25 July 2011.

### 2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The interim financial statements are unaudited but have been reviewed by the Company’s audit committee.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values.

The accounting policies used in preparing the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024 except for the adoption of the new and revised Hong Kong Financial Reporting Standards Accounting Standards (“HKFRS Accounting Standards”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning 1 January 2025.

The adoption of these new and revised HKFRS Accounting Standards had no material impact on the unaudited condensed consolidated financial statements of the Group for the current and prior accounting period.

The Group has not early adopted the new HKFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company are currently assessing the impact of these new HKFRS Accounting Standards but are not yet in a position to state whether they would have material financial impact on the Group’s results of operations and financial position.

### 3. SEGMENT INFORMATION

The executive directors determined that the Group has two reportable operating segments as follows:

Printing – provision of printing services;

Publishing – book publishing.

Inter-segment transactions are on arm's length basis in a manner similar to transactions with third parties.

The following table present information of revenue and profit for the period on the basis of the Group's operating segments for the six months ended 30 June 2025:

Six months ended 30 June 2025

	Printing (Unaudited)	Publishing (Unaudited)	Elimination (Unaudited)	Consolidated (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
– External	761,463	332,562	–	1,094,025
– Inter-segment	64,133	–	(64,133)	–
	825,596	332,562	(64,133)	1,094,025
Segment result	110,071	(6,816)	–	103,255
Unallocated corporate income				–
Unallocated corporate expenses				(1,325)
Finance costs				(7,735)
Profit before income tax				94,195

Six months ended 30 June 2024

	Printing (Unaudited)	Publishing (Unaudited)	Elimination (Unaudited)	Consolidated (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
– External	870,089	387,226	–	1,257,315
– Inter-segment	70,848	–	(70,848)	–
	940,937	387,226	(70,848)	1,257,315
Segment result	108,582	18,543	–	127,125
Unallocated corporate income				–
Unallocated corporate expenses				(1,829)
Finance costs				(13,416)
Profit before income tax				111,880



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 3. SEGMENT INFORMATION (CONTINUED)

The analysis of the Group's revenue by geographical location is as follows:

Revenue – based on the country in which the customer is located, are analysed as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
	HK\$'000	HK\$'000
United States of America	500,768	605,808
Australia	291,850	304,952
United Kingdom	127,649	151,454
Spain	35,114	35,412
Canada	16,367	25,084
Italy	16,170	24,411
Germany	12,345	12,789
Netherlands	9,915	12,089
France	9,164	12,774
Chile	8,280	5,215
Ireland	7,065	4,523
Mexico	5,144	12,394
Hong Kong (domicile)	350	476
Others	53,844	49,934
	1,094,025	1,257,315

### 4. FINANCE COSTS

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
	HK\$'000	HK\$'000
Interest charges on bank borrowings, wholly repayable within five years	4,215	10,002
Interest on lease liabilities	3,520	3,414
	7,735	13,416

## 5. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit before income tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	23,551	22,904
Depreciation of right-of-use assets	22,053	21,178
Amortisation and impairment of intangible assets	53,852	51,618
Employee benefit expenses	287,788	295,778
Less: Staff cost capitalised	(41,408)	(40,341)
Written-off of pre-publication cost	4,174	5,311
Loss (Gain) on financial assets/liabilities at fair value through profit or loss	306	(317)
Loss (Gain) on disposals of property, plant and equipment	180	(17)
Net foreign exchange gain	(19,182)	(1,377)
Interest income	(4,925)	(9,965)

## 6. INCOME TAX EXPENSE

The amount of income tax expense charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong profits tax		
– Current year	13,453	9,556
Overseas tax		
– Current year	8,345	12,063
– Underprovision in prior year	855	2,279
Deferred taxation (credit) charge	(7,548)	136
	15,105	24,034

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purposes of basic earnings per share for the period	76,043	79,098

  

	Number of shares ('000)	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	750,888	749,698
Effect of dilutive potential ordinary shares on share:		
– Share awards	8,492	4,261
	759,380	753,959

Note: Weighted average number of ordinary shares for the purpose of basic earnings per share represents shares in issue less shares held for share award scheme that have not been vested unconditionally by the employees during the period.

## 8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Furniture and fixtures	Office equipment	Leasehold improvements	Computer equipment and systems	Motor vehicles	Machinery	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Period ended 30 June 2025								
Opening net book amount	24,167	4,340	1,025	13,388	2,373	2,118	190,393	237,804
Exchange differences	1,312	276	37	663	117	54	6,874	9,333
Additions	5,288	502	60	6,378	392	–	11,970	24,590
Acquisition of business	–	–	39	39	–	161	20,959	21,198
Disposals	(14)	–	–	–	–	–	(218)	(232)
Depreciation	(526)	(415)	(179)	(1,800)	(686)	(360)	(19,585)	(23,551)
Closing net book amount	30,227	4,703	982	18,668	2,196	1,973	210,393	269,142
At 30 June 2025								
Cost	50,877	12,099	9,316	91,170	21,598	6,120	589,340	780,520
Accumulated depreciation and impairment	(20,650)	(7,396)	(8,334)	(72,502)	(19,402)	(4,147)	(378,947)	(511,378)
Net book amount	30,227	4,703	982	18,668	2,196	1,973	210,393	269,142

As at 30 June 2025 and 31 December 2024, the Group's land and buildings represented (1) freehold land and buildings of HK\$3,415,000 (31 December 2024: HK\$3,380,000), which are situated in Australia; and (2) leasehold buildings of HK\$26,811,000 (31 December 2024: HK\$20,787,000), which are situated in Malaysia.

## 9. RIGHT-OF-USE ASSETS

	Leasehold land	Leased properties	Plant and equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2024 and				
1 January 2025	4,195	113,825	3,060	121,080
At 30 June 2025	6,041	148,444	2,630	157,115





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 10. INTANGIBLE ASSETS

	Goodwill (Unaudited)	Pre-publication costs (Unaudited)	Total (Unaudited)
	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025	314,437	211,096	525,533
Addition	–	66,720	66,720
Acquisition of business	10,110	–	10,110
Written off	–	(4,174)	(4,174)
Amortisation and impairment	–	(53,852)	(53,852)
Exchange differences	4,301	9,505	13,806
At 30 June 2025	328,848	229,295	558,143

### 11. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Group generally allows a credit period from 30 to 150 days to its trade customers. Ageing analysis of trade receivables as at 30 June 2025, based on sales invoice date, is as follows:

	At 30 June 2025 (Unaudited)	At 31 December 2024 (Audited)
	HK\$'000	HK\$'000
0 – 30 days	166,487	226,997
31 – 60 days	131,493	177,857
61 – 90 days	134,283	88,746
91 – 120 days	69,437	71,627
121 – 150 days	13,781	28,998
Over 150 days	16,501	57,518
Total trade receivables	531,982	651,743
Less: Provision for impairment	(20,525)	(22,590)
Net trade receivables	511,457	629,153
Other receivables and deposits	130,663	130,974
	642,120	760,127

## 12. TRADE AND OTHER PAYABLES

As at 30 June 2025, the ageing analysis of trade payables based on invoice date is as follows:

	At 30 June 2025 (Unaudited)	At 31 December 2024 (Audited)
	HK\$'000	HK\$'000
0 – 30 days	72,387	91,177
31 – 60 days	30,073	27,941
61 – 90 days	16,496	14,621
91 – 120 days	3,920	12,336
Over 120 days	4,808	4,328
Total trade payables	127,684	150,403
Other payables and accruals	299,486	304,852
	427,170	455,255

## 13. BANK BORROWINGS

	At 30 June 2025 (Unaudited)	At 31 December 2024 (Audited)
	HK\$'000	HK\$'000
Bank loans due for repayment within one year	89,048	126,211
Bank loans due for repayment in the second year which contain a repayment on demand clause	–	37,667
Bank loans due for repayment in the third to fifth year which contain a repayment on demand clause	–	–
Total bank borrowings – current portion	89,048	163,878

All bank borrowings are supported by the corporate guarantees of the Company and interest bearing at floating rates.

## 14. SHARE CAPITAL

	No. of shares	Amount
	('000)	HK\$'000
Authorised: Ordinary shares of HK\$0.01 each	1,500,000	15,000
Issued and fully paid: At 1 January 2025 and 30 June 2025	770,000	7,700

## 15. CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of approximately HK\$5,556,000 (31 December 2024: HK\$34,552,000).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 16. DIVIDENDS AND DISTRIBUTION

- (a) Dividends and distribution attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
	HK\$'000	HK\$'000
Interim dividend in respect of the year ended 31 December 2024, approved and paid during the interim period of HK\$0.080 (2024: nil) per share	61,600	–
Special dividend in respect of the year ended 31 December 2024, approved and paid during the interim period of HK\$0.020 (2024: nil) per share	15,400	–
Final dividend in respect of the year ended 31 December 2023, approved and paid during the interim period of HK\$0.080 per share	–	61,600
Dividends received from shares held under share award scheme	(1,889)	(1,608)
	75,111	59,992

- (b) Dividends attributable to the interim period

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared – HK\$0.030 (2024: HK\$0.030) per share (Note)	23,100	23,100
Special dividend declared – nil (2024: HK\$0.015) per share (Note)	–	11,550
	23,100	34,650

Note:

The amount of the interim dividend declared for the six months ended 30 June 2025, which will be payable in cash, has been calculated by reference to the 770,000,000 issued ordinary shares outstanding as at the date of this report. The interim dividend is not reflected as dividend payable in the condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

## 17. ACQUISITION OF BUSINESS

On 5 May 2025, OPUS Group Pty. Ltd. ("OPUS") and Marvel Printing Pty Ltd, ("Marvel"), both indirectly non-wholly owned subsidiary of the Company, entered into a business acquisition agreement (the "Acquisition Agreement") with Marvel Bookbinding and Printfinishing Pty Ltd (the "Seller"), and Mr. Wayne Eastaugh, ("Mr. Wayne"), pursuant to which, Marvel has conditionally agreed to purchase and the Seller has conditionally agreed to sell the bookbinding and printfinishing business and assets at aggregate consideration with a maximum of AUD7,515,000 (equivalent to approximately HK\$36,974,000). The acquisition was completed on 16 May 2025 (the "Completion Date").

At Completion Date, the estimated aggregate consideration comprised of (i) initial consideration of AUD \$3,000,000 (equivalent to approximately HK\$14,760,000); (ii) hire purchase reimbursement of AUD15,000 (equivalent to approximately HK\$74,000) and (iii) deferred consideration of AUD1,945,000 (equivalent to approximately HK\$9,569,000) ("Deferred Consideration"). The Deferred Consideration was measured at fair value based on the adjustment of the earn-out amount as stated in the Acquisition Agreement.

Pursuant to the Acquisition Agreement, an option (the "Option") to acquire 25% of the issued shares in Marvel at consideration of AUD1,500,000 (equivalent to approximately HK\$7,380,000) was granted to Mr. Wayne and his son, Mr. Richard Eastaugh or an entity majority owned by either or both of them (the "Option Holder"), exercisable within the period commencing on the last day of the earn-out period and ending on the Deferred Consideration payment date. According to the Acquisition Agreement, if the Option Holder exercises the Option, the earn-out amount in the Deferred Consideration would be fixed at AUD1,500,000 (equivalent to approximately HK\$7,380,000).

After assessing the terms in the Acquisition Agreement, including the fair value of Deferred Consideration and the Option as at Completion Date and as at 30 June 2025, the management concluded that the Option Holder is unlikely to exercise the Option. As a result, no fair value of the Option was recognised at Completion Date and as at 30 June 2025.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 17. ACQUISITION OF BUSINESS (CONTINUED)

The provisional fair value of identifiable assets and liabilities of the acquired business ("Acquired Business") as at the date of acquisition and goodwill arising from the acquisition were as follows:

	Unaudited	Unaudited
	HK\$'000	HK\$'000
Property, plant and equipment	21,199	
Right-of-use assets	7,281	
Deferred tax asset	3,019	
Inventories	1,328	
Other borrowing	(1,562)	
Lease liabilities	(7,572)	
Provisions	(2,491)	
Deferred tax liabilities	(6,909)	
Total identifiable assets acquired and liabilities assumed		14,293
Cash consideration		14,834
Deferred consideration		9,569
Goodwill		10,110

Goodwill of HK\$10,110,000, which is not deductible for tax purposes, mainly represented the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

Since the acquisition date, the Acquired Business has contributed HK\$2,259,000 to revenue and a loss of HK\$295,000 to the Group. If the acquisition had occurred on 1 January 2025, the Group's revenue and net profit would have been HK\$1,103,576,000 and HK\$75,867,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future performance.

The acquisition-related costs of HK\$85,000 have been expensed and are included in administrative expenses.

## 18. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

The directors of the Company were considered to be key management personnel of the Group. The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
	HK\$'000	HK\$'000
Short-term remuneration	4,385	4,432
Post-employment benefit	105	101
Equity settled share-based payments	284	284
	4,774	4,817

## 19. CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 20. FAIR VALUE MEASUREMENT

#### (i) Recurring fair value measurements

	At 30 June 2025 (unaudited)		At 31 December 2024 (audited)	
	Level 2	Level 3	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets (liabilities) at fair value through profit or loss				
Preferred stock investment	–	2,407	–	–
Other payable – Deferred Consideration	–	(9,783)	–	–
Net fair values	–	(7,376)	–	–

#### (ii) Fair values of financial instruments carried at other than fair value

Trade and other receivables, cash and cash equivalents, trade and other payables, bank borrowings and lease liabilities are carried at cost or amortised cost which are not materially different from their fair values as at 30 June 2025 and 31 December 2024.

#### (iii) Measurement of fair values

The fair values of preferred stock investments have been valued using the option pricing method and the fair values of deferred consideration were based on the financial forecast with reference to relevant risk-free rate and credit spread. Both are valued under Level 3 of the fair value hierarchy.

## OTHER DISCLOSURES

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2025, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

(a) Long Position in the shares of the Company

Name of Directors	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage to the issued share capital of the Company
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin (Note 1)	101,481,297	Nil	258,135,326	359,616,623	46.70
Ms. Lam Mei Lan	10,148,688	Nil	Nil	10,148,688	1.32
Mr. Chu Chun Wan	200,000	Nil	Nil	200,000	0.03
Mr. Li Hoi, David	200,000	Nil	Nil	200,000	0.03
Mr. Guo Junsheng (Note 2)	200,000	Nil	249,804	449,804	0.06
Prof. Lee Hau Leung	200,000	Nil	Nil	200,000	0.03

(b) Long Position in the shares of Left Field Printing Group Limited ("Left Field"), an associated corporation of the Company

Name of Directors	Personal Interests	Family Interests	Corporate Interests	Total Interests	Percentage to the issued share capital of Left Field
	(Shares)	(Shares)	(Shares)	(Shares)	(%)
Mr. Lau Chuk Kin (Note 3)	19,426,864	Nil	323,738,411	343,165,275	68.82
Ms. Lam Mei Lan	1,035,543	Nil	Nil	1,035,543	0.21



## OTHER DISCLOSURES

(c) Long Position in the underlying shares of the Company under the share award scheme

Name of Directors	Number of shares				
	Granted but not yet vested at 1.1.2025	Granted during the period	Vested during the period	Cancelled/ lapsed during the period	Granted but not yet vested at 30.6.2025
Ms. Lam Mei Lan	2,560,000	–	–	–	2,560,000
Prof. Lee Hau Leung	200,000	–	–	–	200,000
Mr. Ho Tai Wai, David	200,000	–	–	–	200,000

Note 1: 258,135,326 shares are beneficially owned by City Apex Ltd.. As at 30 June 2025, Mr. Lau Chuk Kin owned 69.76% of the issued share capital of ER2 Holdings Limited ("ER2 Holdings"), the ultimate holding company of City Apex Ltd., and accordingly, Mr. Lau is deemed to be interested in the said shares pursuant to Part XV of the Securities and Futures Ordinance.

Note 2: 249,804 shares are beneficially owned by Dragon Might Global Limited ("Dragon Might"). As at 30 June 2025, Dragon Might is 100% directly owned by Mr. Guo Junsheng and therefore Mr. Guo is deemed to be interested in the said shares.

Note 3: Of 323,738,411 shares, 16,133,457 shares and 307,604,954 shares are beneficially owned by City Apex Ltd. and Bookbuilders BVI Ltd respectively. As at 30 June 2025, Bookbuilders BVI Ltd is an indirect wholly-owned subsidiary of the Company. As stated in note 1 above, Mr. Lau is deemed to be interested in 46.70% issued share capital of the Company. Accordingly, Mr. Lau is deemed to be interested in the said shares.

Save as disclosed above, as at 30 June 2025, to the knowledge of the Company, none of the directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the following persons, other than a director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company, being 5% or more in the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Nature of interest			Percentage to the issued share capital of the Company
	Beneficial Owner	Interest in controlled corporation	Total Interests	
	(Shares)	(Shares)	(Shares)	(%)
ER2 Holdings Limited (Note 1)	Nil	258,135,326	258,135,326	33.52
City Apex Ltd. (Note 1)	258,135,326	Nil	258,135,326	33.52
Mr. Chang Mun Kee (Note 2)	10,067,583	54,112,030	64,179,613	8.34
Mr. Webb David Michael and Mrs. Webb Karen Anne (Note 3)	Nil	77,648,976	77,648,976	10.08
JcbNext Berhad (Note 2)	54,112,030	Nil	54,112,030	7.03
Preferable Situation Assets Limited (Note 3)	45,407,408	Nil	45,407,408	5.90

Note 1: 258,135,326 shares are beneficially owned by City Apex Ltd. ER2 Holdings was the ultimate holding company of City Apex Ltd. Accordingly, ER2 Holdings is deemed to be interested in the said shares pursuant to Part XV of the Securities and Futures Ordinance.

Note 2: According to the record kept by the Company, Mr. Chang Mun Kee is interested in 45.49% of the shares in JcbNext Berhad. Therefore, Mr. Chang is deemed to be interested in the said shares held by Jcbnext Berhad.

Note 3: According to the record kept by the Company, as at 30 June 2025, Mr. Webb and Mrs. Webb were deemed to be interested in 77,648,976 shares pursuant to Part XV of the SFO. Of 77,648,976 shares, 45,407,408 shares and 32,241,568 shares were beneficially held by Preferable Situation Assets Limited and Member One Limited respectively. Both Preferable Situation Assets Limited and Member One Limited were 100% directly owned by Mr. Webb and Mrs. Webb.

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any other person (other than a director or chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company and was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

## OTHER DISCLOSURES

### SHARE AWARD SCHEME

A share award scheme (the "1010 Share Award Scheme") was adopted by the Company on 30 December 2013. The purpose of the 1010 Share Award Scheme is to recognize and motivate the contribution of participants and to incentivize them to further the operation and development of the Group and to attract suitable personnel for the Group. A trust has been set up and fully funded by the Company for the purpose of purchasing, administering and holding the Company's shares for the 1010 Share Award Scheme. The total number of shares which may be granted to the selected participant under the 1010 Share Award Scheme shall not exceed 10% of the total issued share capital (i.e. 77,000,000 shares) of the Company as at the adoption date. The maximum number of shares which may be awarded to a selected participant under the scheme shall not exceed 1% of the issued share capital (i.e. 7,700,000 shares) of the Company as at the adoption date. The 1010 Share Award Scheme was effective for a term of ten years commencing from the adoption date and was expired on 30 December 2023.

During the six months period ended 30 June 2025, no shares were purchased under the 1010 Share Award Scheme. At 30 June 2025, the Company had 17,292,000 unvested awards under the 1010 Share Award Scheme.

Details of the unvested share awards granted for the six months ended 30 June 2025 were as follows:

Category/Name	Date of approval by Board	Date of award	Number of awarded shares	Fair value per share at date of grant**	Vesting period	Outstanding as at 1 January 2025	Lapsed during the period	Vested during the period	Outstanding as at 30 June 2025	Closing price per share before date of grant
				HK\$						HK\$
<b>Directors</b>										
Lam Mei Lan	16.11.2020	16.11.2020	2,560,000	0.68	60 months	2,560,000	–	–	2,560,000	0.70
Lee Hau Leung	20.12.2023	20.12.2023	200,000	1.10	24 months	200,000	–	–	200,000	1.10
Ho Tai Wai David	20.12.2023	20.12.2023	200,000	1.10	24 months	200,000	–	–	200,000	1.10
					Sub-total	2,960,000	–	–	2,960,000	
<b>Other Employees</b>										
	30.09.2020	30.09.2020	1,876,000	0.65	61 months	1,876,000	–	–	1,876,000	0.65
	30.09.2020	30.10.2020	56,000	0.69	52 months	56,000	–	(56,000)	–	0.69
	30.09.2020	30.10.2020	500,000	0.69	53 months	500,000	–	(500,000)	–	0.69
	30.09.2020	30.10.2020	10,624,000	0.69	60 months	9,240,000	(160,000)	–	9,080,000	0.69
	30.09.2020	30.10.2020	1,000,000	0.69	65 months	1,000,000	–	–	1,000,000	0.69
	30.09.2020	30.10.2020	116,000	0.69	76 months	116,000	–	–	116,000	0.69
	30.09.2020	30.10.2020	1,000,000	0.69	77 months	1,000,000	(1,000,000)	–	–	0.69
	16.11.2020	16.11.2020	860,000	0.68	67 months	860,000	–	–	860,000	0.70
	01.09.2022	01.09.2022	1,400,000	0.93	38 months	1,400,000	–	–	1,400,000	0.94
					Sub-total	16,048,000	(1,160,000)	(556,000)	14,332,000	
<b>Total</b>						19,008,000	(1,160,000)	(556,000)	17,292,000	

\*\* Fair value determined based on observable market price of shares at grant date

### SHARE OPTION SCHEME

The Company has no share option scheme as at 30 June 2025 and at the date of this interim report.

### PURCHASE, SALE OR REDEMPTION OF SHARES

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

## CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code (the “Code Provision”) contained in Appendix C1 of the Listing Rules throughout the six months period ended 30 June 2025.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry to all the Directors, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 June 2025.

## EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2025, the Group had around 1,758 full-time employees (30 June 2024: 1,797). The pay scale of the Group’s employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group’s salary and bonus system. Other employee benefits include share award, provident fund, insurance and medical cover.

## INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of an interim dividend of HK\$0.030 (2024: interim dividend of HK\$0.030 and special dividend of HK\$0.015) per ordinary share for the six months ended 30 June 2025 to shareholders whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 11 September 2025. The register of shareholders will be closed on 11 September 2025, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited whose share registration public offices are located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 10 September 2025. The interim dividend is expected to be paid on 24 September 2025.

## AUDIT COMMITTEE

The audit committee has three members comprising the three independent non-executive directors, namely, Mr. Ho Tai Wai, David, Prof. Lee Hau Leung and Mr. Ng Siu On with terms of reference in compliance with the Listing Rules. The audit committee review the Group’s financial reporting, internal controls and make relevant recommendations to the Board.

The audit committee had met with the management to review the Company’s interim report for the six months ended 30 June 2025 and had the opinion that such report was compiled with the applicable accounting standards and adequate disclosures had been made.

By Order of the Board  
**Lau Chuk Kin**  
*Chairman*

Hong Kong, 27 August 2025





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Lau Chuk Kin (*Chairman*)  
Ms. Lam Mei Lan  
Mr. Chu Chun Wan

#### Non-Executive Directors

Mr. Li Hoi, David  
Mr. Guo Junsheng

#### Independent Non-Executive Directors

Prof. Lee Hau Leung (*Lead Independent Non-Executive Director*)  
Mr. Ho Tai Wai, David  
Mr. Ng Siu On

#### COMPANY SECRETARY

Ms. Tan Lai Ming *FCCA, FCCA*

#### COMPLIANCE OFFICER

Mr. Lau Chuk Kin

#### AUTHORISED REPRESENTATIVES

Ms. Lam Mei Lan  
Ms. Tan Lai Ming

#### BERMUDA RESIDENT REPRESENTATIVE

Conyers Corporate Services (Bermuda) Limited

#### AUDIT COMMITTEE

Mr. Ho Tai Wai, David (*Chairman*)  
Prof. Lee Hau Leung  
Mr. Ng Siu On

#### NOMINATION COMMITTEE

Mr. Lau Chuk Kin (*Chairman*)  
Prof. Lee Hau Leung  
Mr. Ho Tai Wai, David  
Mr. Ng Siu On

#### REMUNERATION COMMITTEE

Prof. Lee Hau Leung (*Chairman*)  
Mr. Lau Chuk Kin  
Mr. Ho Tai Wai, David  
Mr. Ng Siu On

#### AUDITOR

BDO Limited  
*Certified Public Accountants*  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### LEGAL ADVISER

LF Legal  
Suite 2004,  
20/F, 135 Bonham Strand Trade Centre  
No.135 Bonham Strand  
Sheung Wan  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited  
No. 1 Queen's Road Central  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
Standard Chartered Bank Building  
4-4A Des Voeux Road Central  
Hong Kong

### SHARE REGISTRARS AND TRANSFER OFFICES

#### Principal Registrar

Conyers Corporate Services (Bermuda) Limited  
Clarendon House, 2 Church Street  
Hamilton HM11  
Bermuda

#### Hong Kong Branch Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712 – 1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 11 East Wing, NEO  
123 Hoi Bun Road  
Kwun Tong  
Kowloon  
Hong Kong

### INVESTOR RELATIONS CONTACT

investor@lionrock.hk

### WEBSITE

www.lionrock.hk

### STOCK CODE

1127



LION  
ROCK  
GROUP

[www.lionrock.hk](http://www.lionrock.hk)