



TYCOON

滿貫集團控股有限公司

Tycoon Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3390



寶和堂

金門強效
一條根

BG
PRO

BOOST & GUARD PRO
博健專研

和漢
匠心

Craft by WAKAN

INTERIM REPORT

2025

Table of Contents

	<i>Page</i>
Corporate Information	2
Financial Highlights	3
Management Discussion and Analysis	4
Corporate Governance and Other Information	18
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	26
Interim Condensed Consolidated Statement of Financial Position	28
Interim Condensed Consolidated Statement of Changes in Equity	30
Interim Condensed Consolidated Statement of Cash Flows	31
Notes to the Interim Condensed Consolidated Financial Information	32



Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Wong Ka Chun Michael
(Chairman and Chief Executive Officer)

Non-executive Directors

Ms. Li Ka Wa Helen
Mr. Lau Ka On David
Ms. Liang Yan
Mr. Cao Ran (appointment effective on 1 July 2025)
Mr. Ng Kwan Ho (appointment effective on 1 July 2025)
Mr. Hu Yang (resignation effective on 1 July 2025)

Independent non-executive Directors

Mr. Chung Siu Wah
Ms. Chan Ka Lai Vanessa
Mr. Mak Chung Hong
(also known as Mak Tommy Chung Hong)

AUDIT COMMITTEE

Ms. Chan Ka Lai Vanessa (Chairwoman)
Mr. Chung Siu Wah
Mr. Mak Chung Hong

REMUNERATION COMMITTEE

Mr. Mak Chung Hong (Chairman)
Mr. Chung Siu Wah
Ms. Chan Ka Lai Vanessa

NOMINATION COMMITTEE

Mr. Chung Siu Wah (Chairman)
Ms. Chan Ka Lai Vanessa
Mr. Mak Chung Hong

CORPORATE GOVERNANCE COMMITTEE

Mr. Wong Ka Chun Michael (Chairman)
Mr. Chung Siu Wah
Mr. Mak Chung Hong

COMPANY SECRETARY

Mr. Cheung Yuk Chuen (CPA, ACCA)

AUTHORISED REPRESENTATIVES

Mr. Wong Ka Chun Michael
Mr. Cheung Yuk Chuen

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 14, 8/F
Wah Wai Centre
38-40 Au Pui Wan Street
Shatin, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISER

LCH Lawyers LLP

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong SAR, China

PRINCIPAL BANKERS

United Overseas Bank Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

COMPANY WEBSITE

www.tycoongroup.com.hk

STOCK CODE

3390

Financial Highlights

Six months ended 30 June

	2025 HK\$'000	2024 HK\$'000	Change
Revenue			
– Distribution	343,412	335,216	2.4%
– Retail Stores	79,235	99,794	(20.6%)
– E-commerce	87,432	–	100.0%
Total	510,079	435,010	17.3%
Gross profit	129,204	107,808	19.8%
Gross profit margin (%)	25.3%	24.8%	
(Loss)/profit attributable to equity holders of the Company	(7,984)	21,009	(138.0%)
Profit margin attributable to equity holders of the Company (%)	(1.6%)	4.8%	
Adjusted net profit (non-HKFRS measure) (Note)	10,554	31,082	
EBITDA (non-HKFRS measure) (Note)	15,918	42,801	(62.8%)
EBITDA margin (%) (non-HKFRS measure)	3.1%	9.8%	
Return on equity (%)	(1.5%)	3.9%	

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000	Change
Total assets	1,236,709	1,005,563	23.0%
Total liabilities	711,710	516,606	37.8%
Total equity	524,999	488,957	7.4%

Note:

Each of EBITDA and adjusted net profit is a non-HKFRS measure used by the management for monitoring the core business performance of the Group. EBITDA is calculated based on (loss)/profit for the Period (1H2025: loss of HK\$7,666,000; 1H2024: profit of HK\$21,119,000) before interest (1H2025: HK\$12,785,000; 1H2024: HK\$10,264,000), tax expense (1H2025: HK\$283,000; 1H2024: HK\$3,100,000), depreciation and amortisation (1H2025: HK\$10,516,000; 1H2024: HK\$8,318,000), where “interest” is regarded as including finance income and finance costs. For the definition of adjusted net profit, reasons of using such measure and details of calculation, please refer to the section headed “EBITDA and adjusted net profit (non-HKFRS measures)” set out on page 12 of this interim report.

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as EBITDA and adjusted net profit, are used for assessing the Group’s performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group’s current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in its financial reporting.

Management Discussion and Analysis



The board (“**Board**”) of directors (“**Directors**”) of Tycoon Group Holdings Limited (the “**Company**” or “**Tycoon**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**” or the “**Tycoon Group**”) for the six months ended 30 June 2025 (the “**Period**” or “**1H2025**”), together with the comparative figures for the corresponding period in 2024 (“**Last Period**” or “**1H2024**”).

Tycoon Group is a reputable Hong Kong-based omnichannel marketing and management service integrator of healthcare and wellbeing-related products. The Group specialises in providing one-stop omnichannel brand agency, promotion and marketing, management, distribution, and sales services for proprietary Chinese medicines (“**PCM**”), health supplements, skincare, personal care, and other healthcare products. Over the years, the Group has established a strong presence, covering nearly 100,000 online and offline sales points across Hong Kong, Macau, the People’s Republic of China (the “**PRC**” or “**Mainland China**”), and Southeast Asia, representing over 300 local and overseas brands and actively developing premium self-owned brands as well as collaborative brand products, with a portfolio of more than 2,000 products. As a diversified industry pioneer in Hong Kong, the Group maintains a leading market position. Staying true to its mission of bringing health and vitality to consumers, Tycoon Group is committed to delivering reputable and quality products to customers across various regions.

MARKET REVIEW

In the first half of 2025, the Hong Kong economy showed signs of strengthening, with an increase in both visitor arrivals and local private consumption expenditure. Although the overall economic outlook has brightened, the local retail market recovery has lagged behind expectations, with the industry still facing challenges such as changes in local consumer and Individual Visit Scheme traveller spending patterns, as well as rising cost pressures.

Despite the unfavourable operating environment, the Group has demonstrated resilience by closely monitoring market conditions and consumer preferences, adjusting strategies accordingly, and continuously innovating. Several popular health products under the Group continued to be bestsellers, contributing to sales growth.

On the other hand, the Southeast Asian market is becoming increasingly vibrant, with the Hong Kong government and numerous enterprises paying closer attention to this market, affirming the Group’s recent strategic expansion into Southeast Asia. The Group plans to seize opportunities to bring more quality products to the blue ocean markets of Southeast Asia and expand its business footprint.

BUSINESS REVIEW

The Group currently operates three business segments: distribution, retail store, and e-commerce. The Group's distribution business mainly involves distributing consumer products to major chain retailers, non-chain retailers (mainly pharmacies) and traders in Hong Kong, Macau, Mainland China, and Southeast Asia. The retail store business refers to the sale of products at physical brick-and-mortar stores. The e-commerce business focuses primarily on health and wellness-related product e-commerce and distribution in Mainland China. In addition, the Group provides omnichannel marketing management services for represented brands and actively develops both self-owned brands and collaborative brand products.

During the Period, the Group entered into a subscription agreement ("**Subscription Agreement**") with Jacobson Group Treasury Limited ("**Jacobson Group Treasury**", a wholly-owned subsidiary of Jacobson Pharma Corporation Limited (HKEX Stock Code: 2633)), pursuant to which, Jacobson Group Treasury conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 94,000,000 ordinary shares of the Company ("**Subscription Shares**") at HK\$0.5 per Subscription Share ("**Subscription**").

The aggregate nominal value of the Subscription Shares was HK\$940,000. The closing price of the shares of the Company on the date of the Subscription Agreement (i.e. 29 April 2025) was HK\$0.4 per share. The subscription price of HK\$0.5 represented a premium of 25% over such closing price and the net issue price per Subscription Share (after deduction of expenses in connection with the Subscription) was approximately HK\$0.497 per Subscription Share. The gross proceeds of the Subscription were HK\$47.0 million, and the net proceeds of the Subscription (after deduction of expenses in connection with the Subscription) were approximately HK\$46.7 million. The net proceeds are intended for investment in core business expansion, supply chain and logistics improvement, and general working capital. For the details of the use of proceeds of the Subscription, please refer to the section headed "Use of proceeds from the Subscription under General Mandate" below. Upon completion of the Subscription, Jacobson Group Treasury held 150.59 million shares, representing about 16.84% of the Group's issued shares. Jacobson Pharma Corporation Limited and its subsidiaries and associates ("**Jacobson Group**") are the Group's long-term business partner and third-largest shareholder. The reasons for the Subscription are to strengthen the Group's financial position, provide working capital for future development and obligations, and further enhance potential strategic cooperation, helping the Group capture emerging market opportunities, optimise financial leverage, and ultimately enhance long-term shareholder value.

For the first half of 2025, the Group recorded revenue of approximately HK\$510.1 million, representing an increase of 17.3% compared to HK\$435.0 million for the Last Period. Net loss for the Period was about HK\$7.7 million (1H2024: net profit of HK\$21.1 million). The record of loss was primarily due to (i) increased share-based payment expenses to HK\$8.1 million (1H2024: HK\$0.8 million); (ii) the share of loss of associates (being the CWA Group as detailed below) of HK\$4.0 million (1H2024: profit of HK\$3.6 million) as a result of the weak consumer purchasing sentiment. Combo Win Limited ("**CWA**") together with its subsidiaries (collectively, the "**CWA Group**") was accounted as an associate of the Company for the first two months of 2025 before the majority stake of CWA was acquired back by the Group; and (iii) additional marketing and promotional expenses for the expanded product portfolio.

Distribution Business

During the Period, Hong Kong distribution sales reached HK\$257.4 million, representing a year-on-year decrease of 0.5% (1H2024: HK\$258.6 million). Although the recovery in the Hong Kong market remained slow, the Group proactively innovated and launched products that addressed market needs, resulting in a solid sales performance. Macau distribution sales were HK\$42.9 million (1H2024: HK\$45.2 million). The Southeast Asian market experienced strong development, with total distribution sales reaching HK\$43.1 million, representing a substantial year-on-year increase of 37.3%. In particular, distribution sales in Singapore amounted to HK\$36.6 million, up by 30.7% year-on-year, while Malaysia achieved HK\$6.3 million, a notable year-on-year increase of 123.7%. The Group expects the Southeast Asian distribution business to continue demonstrating robust growth momentum in the second half of 2025.

Retail Store Business

The Group conducted its retail store business through Hong Ning Hong Limited (“**HNH**”), a 70%-owned subsidiary since March 2024. The operating subsidiary of HNH is primarily engaged in the retail and wholesale of pharmaceutical products and proprietary medicines in Hong Kong.

During the Period, HNH opened a new store in Mong Kok, Kowloon, a popular shopping destination for tourists seeking PCM, health supplements, and souvenirs, as well as a local consumer hotspot. Establishing a store in this district is expected to generate stable income for HNH and cultivate a loyal customer base. For the Period, the Group’s Hong Kong retail store business recorded revenue of HK\$79.2 million.

E-commerce Business

On 28 February 2025, the Group completed the repurchase of 51% of the issued shares of CWA. As a result, CWA and its subsidiaries have been reinstated as wholly-owned subsidiaries of the Company, and their financial results have been consolidated into the Group’s financial statements since 1 March 2025 (“**Accounting Effect of CWA 51% Buyback**”). CWA Group is primarily engaged in the e-commerce and distribution of health and wellness-related products in Mainland China. During the Period, the e-commerce business segment recorded revenue of HK\$87.4 million. Facing challenges such as the depreciation of the Chinese Renminbi, which weakened consumer purchasing power, and overall consumption downgrading, the Group actively pursued revenue growth and efficiency improvements by opening more domestic online flagship stores for its agency brands, optimising its product mix, and developing more market-driven bestselling products.

Omnichannel Brand Marketing and Management Services for Brands

During the Period, the Group continued to provide omnichannel marketing and management services for its agency brands, including brand agency, promotion and marketing, management, distribution, and sales. By delivering one-stop service solutions for brands, the Group has enhanced its industry value chain, further diversifying its product portfolio and business lines, which helps to increase both market share and gross profit margin.

The Group acts as the exclusive distributor for numerous overseas brands, such as having exclusive rights in Hong Kong, Macau and Singapore for the Japanese anti-hair loss and hair protection brand Kaminowa. In Singapore, the Group is the exclusive distributor for Helaslim, a top-selling Japanese slimming and beauty brand. The Group also secured exclusive rights in Singapore and Malaysia for PNKids, a leading Singaporean children's multivitamin brand, and the distribution rights in Hong Kong, Macau, Singapore, and Malaysia for the popular Korean body care brand plu. In addition, the Group is appointed as the general distributor in Hong Kong for the renowned Mainland Chinese brand Dong-E-E-Jiao (“東阿阿膠”), and secured the exclusive agency for Li Chung Shing Tong Po Chai Pills (“李眾勝堂保濟丸”), a century-old heritage brand, in Singapore. The Group aims to help more well-known Mainland Chinese brands expand into the Hong Kong and Southeast Asian markets in the future.

Strengthening R&D of High-Gross-Margin Self-Owned and Collaborative Brand Products

In addition to its agency brand business, the Group continues to actively expand its self-owned brand product lines. Popular brands under the Group include Boost & Guard Pro (BG Pro 博健專研), Craft by Wakan (和漢匠心) and Kinmen Qiangxiao (金門強效). To date, the Group has registered more than 60 trademarks for self-owned brand products. Bestselling items include “Craft by Wakan Japan Probiotics”, “BG Pro Immunoglobulin Capsules”, “BG Pro Ultra Purity Deep Sea Fish Oil”, and “Kinmen Qiangxiao I-Tiao-Gung Plaster”.

The Group remains closely attuned to market demand, continuously upgrading and enhancing its bestselling self-owned brand products. Recent product launched include “Craft by Wakan Gut Guardian Probiotics Support (和漢匠心日本強健益生菌)”, “Craft by Wakan Japan Nattokinase EX (和漢匠心日本納豆素配方升級版)”, “BG Pro Brain Booster (BG Pro博健專研腦活素)”, “Kinmen Qiangxiao I-Tiao-Gung Pain Relief Penetrating Liquid (金門強效一條根滲透鎮痛露)”, and “Kinmen Qiangxiao I-Tiao-Gung Pain Relief Roller Cream (金門強效一條根滾珠鎮痛膏)”. The Group is also actively collaborating with two major local personal care product chain stores to introduce new products tailored to local consumer needs, while building a comprehensive sales channel network.

Leveraging its robust marketing and brand management capabilities, the Group has continued to elevate brand awareness and sales of its self-owned products. In the highly competitive health supplements market, significant advertising investment is required to attract consumers. The Group's experienced marketing team customises targeted promotions for different products, utilising not only traditional television and outdoor advertising but also ramping up promotion efforts on mainland social media platforms such as Xiaohongshu, resulting in simultaneous growth in product sales and brand reputation. Celebrity endorsements also play a key role: Ms. Lin Min Chen (林明禎小姐), a well-known artiste, serves as ambassador for the flagship Craft by Wakan Japan Probiotics, and Mr. Louis Cheung (張繼聰先生), a well-known artiste, is the ambassador for the bestselling Kinmen Qiangxiao brand.

For collaborative brands, in support of the Group's strategy to strengthen its self-owned product line, Mr. Wong Ka Chun Michael, Chairman, executive Director and Chief Executive Officer, personally acquired Po Wo Tong – a century-old Hong Kong heritage brand. Through cooperation with the Group, more new products are being launched and sold, reviving and diversifying this traditional brand while also expanding the Group's collaborative brand portfolio. Notable celebrity Ms. Selena Lee (李施嬅小姐) was invited to endorse "Po Wo Tong Dampness Removing Pills 寶和堂祛濕丸" and "Po Wo Tong Dampness Removing Bath Capsule 寶和堂祛濕浸泡珠", both of which have become signature bestsellers under the Po Wo Tong brand.

Looking ahead, the Group will continue to invest resources in high-gross-margin self-owned brands, develop and launch more self-owned and collaborative products, and respond to the diverse needs and preferences of Southeast Asian and Mainland Chinese Individual Visit Scheme travellers, keeping pace with emerging trends in the PCM and health supplement product markets.

Accelerating Comprehensive Southeast Asia Coverage: Dual Growth in Market Share and Performance

To build a diversified sourcing network and enrich its product portfolio, the Group has been deepening its overseas footprint, establishing procurement centres and professional teams in Japan, South Korea, Singapore, Malaysia, Thailand, Vietnam, Indonesia, Cambodia, Macau, Australia, and France. This has enabled the Group to achieve diversification and internationalisation across its product offerings.

Southeast Asia has become the focal point of the Group's recent overseas expansion, delivering impressive results. The Group's distribution sales in Southeast Asia have remained robust, particularly in Singapore and Malaysia, which have now entered a maturation phase, characterised by sustained sales growth. The Group established subsidiaries in Singapore and Malaysia prior to listing, and in 2022, secured the exclusive distribution rights for TJ-TYT Pharmaceuticals (M) Sdn. Bhd. in Malaysia (a company primarily engaged in the production and wholesale of PCM, health supplements, and healthcare products in Malaysia). The success of core brands such as TJ-TYT (with bestsellers including "Vegetarian Bai Feng Wan (素食白鳳丸)" and "Compound Cough Syrup (複方化痰止咳露)") and Double Panda (well-known for "American Ginseng Capsules (花旗蔘膠囊)" and "Qian Li Zhui Feng You (千里追風油)") has been instrumental in expanding the Group's sales business in Singapore and Malaysia.

The Group's dual-track strategy of product portfolio development and sales network expansion has led to exponential growth in the Southeast Asia market share. On one hand, the Group precisely meets the demand from the Southeast Asian Chinese community for reputable PCM and health products, and continuously introduces well-known international and local brands to the region. For example, from this financial year onward, the Group is the exclusive distributor of the century-old heritage brand Li Chung Shing Tong Po Chai Pills in major chain retail networks in Singapore, further boosting Southeast Asian distribution sales.

On the other hand, drawing from the successful Hong Kong distribution model, the Group has forged key partnerships with major personal care retail chains such as Watsons and Guardian (equivalent to Mannings in Hong Kong) in Malaysia, Singapore, and Thailand, and is rapidly expanding its presence in local supermarket chains to further strengthen its sales channel network. Today, the Group ranks among Singapore's leading agents for PCM and health supplements, covering nearly all major retail channels, from chain outlets to pharmacies.

Beyond Singapore and Malaysia, the Group has obtained food licenses from Thailand's Food and Drug Administration and drug import and sales licences in Cambodia. Thailand has begun contributing revenue since the year ended 31 December 2024, with distribution sales expected to surge further in the year ending 31 December 2025.

Use of Proceeds from the Subscription under General Mandate

On 29 April 2025, the Company entered into the Subscription Agreement with Jacobson Group Treasury, in respect of the Subscription at the subscription price of HK\$0.5 per Share. The subscription price of HK\$0.5 represented (i) a premium of 25.0% over the closing price of HK\$0.4 per Share as quoted on the Stock Exchange on the date of the subscription agreement; and (ii) a premium of approximately 11.9% over to the average closing price of HK\$0.447 per Share as quoted on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for the last five consecutive trading days prior to the date of the Subscription Agreement. Completion of the Subscription took place on 22 May 2025. The net proceeds received by the Company from the Subscription ("**Net Proceeds**") were approximately HK\$46.7 million after deducting of expenses of the Subscription. As at the date of this report, there was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated 20 May 2025.

Details of the use of proceeds of the Subscription as at 30 June 2025 are as follows:

Use of Proceeds	Net Proceeds (HK\$ million)	Net Proceeds utilised during the six months ended 30 June 2025 (since the date of completion of the Subscription on 22 May 2025) (HK\$ million)	Unutilised Net Proceeds as at 30 June 2025 (HK\$ million)	Expected Timeline for Utilisation of unutilised Net Proceeds (HK\$ million)
(1) purchases of inventories	26.0	14.8	11.2	On or before 31 December 2025
(2) payment of warehouse and logistics expenses	12.0	1.8	10.2	
(3) launch of marketing and promotion activities	5.0	1.6	3.4	
(4) general working capital	3.7	2.5	1.2	
Total	46.7	20.7	26.0	

As at 30 June 2025, the unutilised Net Proceeds were deposited into licensed banks in Hong Kong.



FUTURE OUTLOOK

In recent years, the Group's strategy in Southeast Asia has yielded outstanding results and become a key driver of Tycoon Group's growth. However, the performance in the Mainland China, Hong Kong, and Macau markets has been weighed down by economic weakness. To maintain core competitiveness, enhance business diversification, and reduce risk, the Group will adopt targeted development strategies for different regions, markets, and local cultural backgrounds, ensuring that resources are deployed effectively.

Optimising the Scale, Upholding the Profit

Faced with soft retail market conditions and consumption downgrading in Mainland China, Hong Kong, and Macau, the Group is actively increasing revenue and reducing expenses. On one hand, it is striving to develop new sales networks and launch new products. On the other hand, it manages scale and leverages technology to boost competitiveness, delivering cost savings and greater efficiency. Externally, a series of supportive policies such as the Central Government's economic stimulus initiatives and Hong Kong's event-based economy are expected to accelerate the retail sector's recovery. With the onset of the traditional tourism high season in the second half of the year, the Group will adjust its product mix and market strategies as appropriate, with the belief that performance will further improve in the second half of the year.

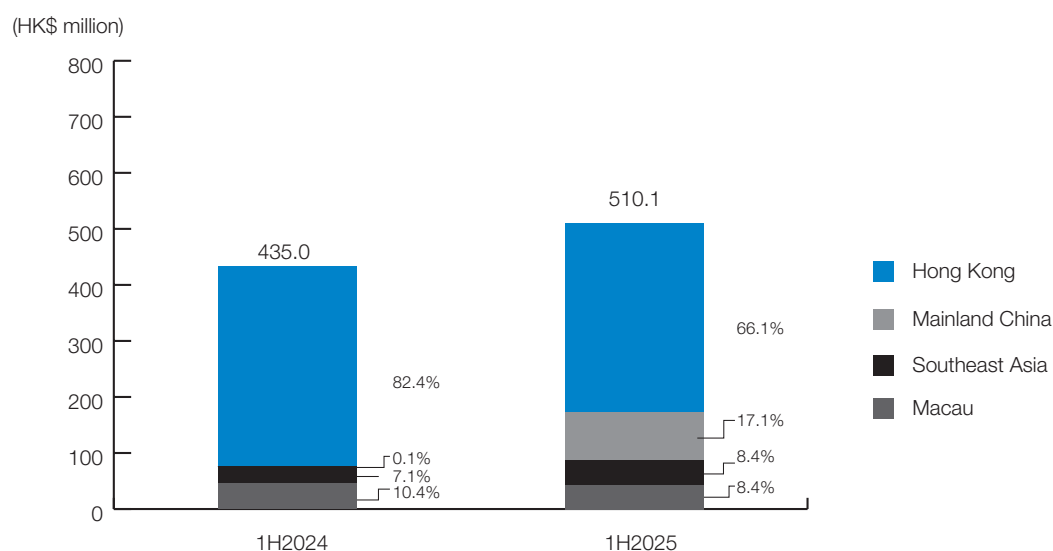
Empowering the Growth, Embracing the NEW

In the second half of the year, the Group will continue to steadily increase its market share in Southeast Asia and actively develop new markets, aiming to achieve comprehensive coverage across the region. While consolidating its market position and expanding sales channels in Singapore, Malaysia, and Thailand, the Group is also actively deploying sales operations in other Southeast Asian countries where it has established a foothold, such as Vietnam and Indonesia, to boost overall sales and further raise its share of the Southeast Asian health and wellness market, laying a strong foundation for the Group's long-term development.

The Group expects Jacobson Group's strategic shareholding increase will inject strong momentum into Tycoon Group's expansion in Southeast Asia. Both parties will continue to deepen collaboration, unlocking shareholder synergy. Leveraging Jacobson Group's extensive resources in the pharmaceutical sector, the Group will accelerate access to emerging markets such as Vietnam and Indonesia, build a compliant operational footprint spanning Southeast Asia, and create sustainable returns for shareholders.

FINANCIAL REVIEW

Revenue



Geographical markets	Revenue		Change
	1H2025 HK\$ million	1H2024 HK\$ million	
Hong Kong	336.6	358.4	▼6.1%
Mainland China	87.4	–	▲100.0%
Southeast Asia	43.2	31.4	▲37.6%
Macau	42.9	45.2	▼5.1%
Total	510.1	435.0	▲17.3%

- The Group's total revenue for the Period was HK\$510.1 million (1H2024: HK\$435.0 million).
- In Hong Kong, revenue for the Period decreased by 6.1% to HK\$336.6 million (1H2024: HK\$358.4 million) as a result of weakened consumer purchasing sentiment. In Macau, revenue for the Period decreased by 5.1% to HK\$42.9 million (1H2024: HK\$45.2 million). It is in line with the sluggish performance of the retail sector during the Period which was mainly due to the change in the consumption patterns of visitors and residents as well as the strength of the Hong Kong dollar.
- As a result of the Accounting Effect of CWA 51% Buyback, the revenue from Mainland China was consolidated into the Group since March 2025.
- In Southeast Asia, revenue for the Period increased significantly by 37.6% to HK\$43.2 million (1H2024: HK\$31.4 million) as a result of continuous efforts in the development and expansion of sales in the region including the expansion of distribution channels and distributing products.

Profitability

As a result of the Accounting Effect of CWA 51% Buyback, since March 2025, the operating results from CWA Group has been 100% consolidated into the Group line by line and this has increased the Group's expenses generally.

The gross profit of the Group increased by 19.8% to HK\$129.2 million for the Period as compared to that of HK\$107.8 million for the Last Period, and the gross profit margin increased by 0.5 percentage points to 25.3%. Increase in gross profit and gross profit margin was mainly due to (i) the change in product mix of high-gross-margin products; and (ii) the Accounting Effect of CWA 51% Buyback.

Selling and distribution expenses of the Group for the Period increased by 61.3% to HK\$71.7 million, as compared to HK\$44.5 million for the Last Period due to increase in advertising and promoter expense.

General and administrative expenses of the Group for the Period increased by 50.5% to HK\$51.0 million, as compared to HK\$33.9 million for the Last Period which was mainly due to (i) increase in share-based payment expense; and (ii) the Accounting Effect of CWA 51% Buyback.

Finance costs of the Group for the Period increased by 24.5% to HK\$12.8 million, as compared to HK\$10.3 million for the Last Period due to (i) increase in bank borrowings; and (ii) the Accounting Effect of CWA 51% Buyback.

Other gains, net

Other gains, net, of the Group for the Period was HK\$2.9 million (1H2024: HK\$1.5 million). The increase was mainly due to the Accounting Effect of CWA 51% Buyback.

(Loss)/profit attributable to equity holders of the Company

The loss attributable to equity holders of the Company for the Period was HK\$8.0 million as compared to the profit attributable to equity holders of the Company of HK\$21.0 million for the Last Period. The decrease is primarily due to (i) the increase in share-based payment expenses and (ii) sharing of loss of CWA Group, which was then accounted as an associate of the Company, for the first two months of 2025.

EBITDA and adjusted net profit (non-HKFRS measures)

To supplement the Group's consolidated financial statements which are presented in accordance with HKFRS Accounting Standards ("HKFRSs"), the Company also uses (i) EBITDA; and (ii) profit for the Period adjusted by items which are non-cash in nature or non-indicative to the Group's operating performance ("Adjusted Net Profit") as additional financial measures, which are not required by, or presented in accordance with, HKFRS.

EBITDA^(Note) is calculated based on (loss)/profit for the Period (1H2025: loss of HK\$7.7 million; 1H2024: profit of HK\$21.1 million) before interest (1H2025: HK\$12.8 million; 1H2024: HK\$10.3 million), tax expense (1H2025: HK\$0.3 million; 1H2024: HK\$3.1 million), depreciation and amortisation (1H2025: HK\$10.5 million; 1H2024: HK\$8.3 million), where “interest” is regarded as including finance income and finance costs.

The following table reconciles (loss)/profit for the Period to Adjusted Net Profit ^(Note) for both periods:

	1H2025 HK\$'000	1H2024 HK\$'000
(Loss)/profit for the Period	(7,666)	21,119
Adjusted by:		
Share-based payment expenses	8,071	798
Written-off of inventories	4,067	849
Depreciation of property, plant and equipment	2,548	1,823
Depreciation of right-of-use assets	4,497	4,981
Amortisation of intangible assets	3,471	1,514
Gain on disposal of financial assets at fair value through profit or loss	–	(2)
Gain on remeasurement of previously held interests in an associated company	(4,434)	–
	10,554	31,082

Apart from the general increase in expenses as a result of the Accounting Effect of CWA 51% Buyback, the other main reason for the decline in Adjusted Net Profit is mainly due to sharing a loss of HK\$4.0 million for PRC e-commerce segment, which was then accounted as an associate of the Company, for the first two months of 2025 while the Group recorded a profit of HK\$3.6 million for sharing the profit of the CWA Group as an associate for 1H2024. Notwithstanding that the Group has been facing various challenges for its PRC e-commerce segment and coupled with the weakened consumer purchasing sentiment, the Group has been able to record an increase in revenue and maintain a steady gross profit margin for 1H2025.

Note:

Each of EBITDA and the Adjusted Net Profit is a non-HKFRS measure used by the management for monitoring the core business performance of the Group. Such measures are not an expressly permitted measure under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating profits as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in its financial reporting.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group has funded the liquidity and capital requirements primarily through bank borrowings, loan from shareholders, cash generated from the operating activities and equity issue.

As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$40.8 million (31 December 2024: HK\$34.0 million) which were mainly denominated in Hong Kong dollars and Chinese Renminbi. The gearing ratio (defined as net debt divided by total equity plus net debt, where net debt includes interest-bearing bank borrowings, loan from shareholders, lease liabilities less cash and cash equivalents) of the Group as at 30 June 2025 was 44.8% (31 December 2024: 38.3%). The increase was mainly due to the percentage of increment of net debt is higher than the percentage of increment of total equity during the Period.

CAPITAL STRUCTURE

As at 30 June 2025, the borrowings included secured interest-bearing bank borrowings of approximately HK\$282.8 million (31 December 2024: HK\$231.3 million), unsecured interest-bearing bank borrowings of approximately HK\$77.2 million (31 December 2024: HK\$39.0 million) and loan from shareholders with maturity date on 31 March 2028 of approximately HK\$50.0 million (31 December 2024: HK\$50.0 million), maturity date on 17 February 2030 of approximately HK\$18.7 million (31 December 2024: Nil) and maturity date on 31 May 2030 of approximately HK\$10.1 million (31 December 2024: Nil). Except for the Group's interest-bearing bank borrowings of HK\$7.6 million (31 December 2024: HK\$7.9 million) which was denominated in MOP, the Group's interest-bearing bank borrowings are all denominated in Hong Kong dollars. All borrowings are at floating rates.

Maturity analysis of bank borrowings of the Group as at 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Within one year	352,846	262,855
In the second year	509	492
In the third to fifth years, inclusive	1,613	1,582
Beyond five years	5,070	5,367
	360,038	270,296

As at 30 June 2025, the Company's issued share capital was HK\$8.9 million and the number of its issued ordinary shares was 894,000,000 of HK\$0.01 each.

The purpose of the treasury policy is to safeguard the Group's financial assets and minimise the liquidity risk and interest rate risk and ensure the Group has sufficient liquidity and sources of funding to meet its current and future obligations.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Group's reporting currency is Hong Kong dollars. The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency. The currency giving rise to this risk is primarily Chinese Renminbi. During the Period, the Group did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

PLEDGE OF ASSETS

As at 30 June 2025, certain of the Group's leasehold land and buildings with a net carrying amount of approximately HK\$30.8 million (31 December 2024: HK\$31.9 million) were pledged to secure certain bank loans granted to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this Interim Report, the Group does not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Exercise of Put Option

Reference is made to the announcements of the Company dated 7 July 2023, 27 July 2023, 3 October 2023, 5 February 2025 and 28 February 2025, and the circular of the Company dated 26 October 2023 ("**Major Disposal Circular**") in relation to, among other things, the disposal of the Sale Shares, being 51% of the issued shares of CWA, by Dynasty Garden Limited ("**Dynasty Garden**"), an indirect wholly-owned subsidiary of the Company, and the exercise of the Put Option by the purchaser, Eyolution Capital Fund ("**ECF**"). Capitalised terms used in this section shall have the same meanings as those defined in the Major Disposal Circular unless the context otherwise requires.

On 27 January 2025, the Company received a notice of exercise of the Put Option from ECF pursuant to which Dynasty Garden was required to purchase the Sale Shares back from ECF. The Put Option Triggering Event on which ECF relied on to exercise of the Put Option was that the Target Group had failed to meet one of its performance targets in relation to target turnover and target profits.

The Exercise Price for the Sale Shares was HK\$106,000,000. As at 31 December 2024, ECF had not paid the Remaining Consideration (being an amount of HK\$60,000,000) in accordance with the provisions of the SP Agreement. As such, the Exercise Price that was required to be paid by Dynasty Garden was HK\$46,000,000 i.e. the amount of the Exercise Price in excess of the Remaining Consideration.

As a result of the exercise of Put Option by ECF, the Group completed the repurchase of 51% of CWA's issued shares. Accordingly, CWA and its subsidiaries have become wholly-owned subsidiaries of the Company, and their financial results have been consolidated into the Group's financial statements since 1 March 2025. As such, CWA and its subsidiaries are now no longer associated companies of the Company.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Period.

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

Reference is made to the announcements of the Company dated 7 July 2023, 27 July 2023, 3 October 2023, 5 February 2025 and 28 February 2025, and the Major Disposal Circular in relation to, among other things, the disposal of the Sale Shares, being 51% of the issued shares of CWA, by Dynasty Garden and the exercise of the Put Option by ECF.

In February 2025, as a result of the exercise of Put Option by ECF, the Group completed the repurchase of 51% of CWA's issued shares. Accordingly, CWA and its subsidiaries have become wholly-owned subsidiaries of the Company, and their financial results have been consolidated into the Group's financial statements since 1 March 2025. As such, CWA and its subsidiaries are now no longer the associated companies of the Company. Accordingly, the provision of financial assistance to CWA and its subsidiaries (as more particularly described in the circular of the Company dated 25 November 2024) ceased to be a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") or subject to any implications relating to financial assistance or relevant advance to an entity under Chapter 13 of the Listing Rules since 1 March 2025.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investments during the Period.

CAPITAL COMMITMENT

As at 30 June 2025, the Group had no material capital commitment (31 December 2024: Nil).

CONTINGENT LIABILITIES

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 234 employees (30 June 2024: 250). During the Period, the total staff costs incurred was approximately HK\$43.3 million (Last Period: HK\$31.5 million). The Group's remuneration policy is based on position, duties and performance of the employees. Employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and subsidies. The performance appraisal cycle varies according to the positions of employees. In order to provide incentives to and to recognise the contributions of employees of the Group, the Group has also adopted a Share Award Scheme and a Share Option Scheme.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (Last Period: Nil).

EVENTS AFTER THE REPORTING PERIOD

Change of Directors

Mr. Hu Yang resigned as a non-executive Director with effect from 1 July 2025. The Board has resolved to appoint Mr. Ng Kwan Ho and Mr. Cao Ran as non-executive Directors with effect from 1 July 2025.

Save as disclosed, there has been no significant event affecting the Group after the Period and up to the date of this Interim Report.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules.

To the best of the knowledge of the Board, the Company has fully complied with the requirements under the CG Code during the Period, except for the deviation from code provisions C.2.1 of the CG code.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The roles of the chairman and the chief executive officer of the Group is not separated and are performed by the same individual, Mr. Wong Ka Chun Michael, who has been responsible for overall strategic planning and management of the Group since the Group was founded and has extensive knowledge and experience in the healthcare and personal care products industry. The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury share). As at 30 June 2025, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions of the Company by the Directors (“**Securities Dealing Code**”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with the Directors, all the Directors confirmed that they had complied with the Securities Dealing Code during the Period.

CHANGE IN INFORMATION OF DIRECTORS

The changes in information of the Directors during the Period and up to the date of this Interim Report, which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Cao Weiyong has resigned as a non-executive director on 10 January 2025.
- Ms. Chan Ka Lai Vanessa (independent non-executive Director) has been appointed as an independent non-executive director of China Renaissance Holdings Limited (stock code: 1911.HK) on 26 June 2025.
- Mr. Hu Yang was appointed as a non-executive Director with effect from 10 January 2025 and resigned as a non-executive Director on 1 July 2025.
- Mr. Ng Kwan Ho has been appointed as a non-executive Director on 1 July 2025.
- Mr. Cao Ran has been appointed as a non-executive Director on 1 July 2025.

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

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("SFO"), which were required: (a) 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 were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interests in the Shares or underlying Shares of the Company

Name of director	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Wong Ka Chun Michael ⁽²⁾	Interest in controlled corporation	300,088,326(L)	33.57%
	Beneficial owner	1,876,000(L)	0.21%

Notes:

- (1) The letter "L" denotes the Director's long position in such Shares and the letter "S" denotes the Director's short position in such Shares.
- (2) The 300,088,326 Shares are registered in the name of Tycoon Empire Investment Limited ("**Tycoon Empire**"), a company wholly owned by Mr. Wong Ka Chun Michael. By virtue of the provisions of Part XV of the SFO, Mr. Wong Ka Chun Michael is deemed to be interested in all the Shares held by Tycoon Empire.
- (3) The calculation is based on the total number of 894,000,000 Shares in issue as of 30 June 2025.

(ii) Interests in shares of the associated corporation of the Company

Name of director	Name of associated corporation	Capacity/ Nature of Interest	Number of Shares⁽¹⁾	Approximate percentage of shareholding
Wong Ka Chun Michael ⁽²⁾	Tycoon Empire	Beneficial owner	1(L)	100%

Notes:

- (1) The letter "L" denotes the Director's long position in such share.
- (2) Mr. Wong Ka Chun Michael directly owns 100% of the issued share capital of Tycoon Empire.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) 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 were taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) and entities had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Tycoon Empire	Beneficial owner	300,088,326(L)	33.57%
Ngai Sze Kei ⁽²⁾	Interest of spouse	301,964,326(L)	33.78%
China Resources Pharmaceutical Retail Group Limited ("CR Pharma Retail")	Beneficial owner	151,895,000(L)	16.99%
China Resources Pharmaceutical Group Limited ("CR Pharma", HKEX Stock Code: 3320.HK) ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
CRH (Pharmaceutical) Limited ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
China Resources (Holdings) Company Limited ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
CRC Bluesky Limited ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
China Resources Inc. ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
China Resources Company Limited ⁽³⁾	Interest in controlled corporation	151,895,000(L)	16.99%
Jacobson Group Treasury ⁽⁴⁾	Beneficial owner	150,590,000(L)	16.84%
Jacobson Pharma Group (BVI) Limited ⁽⁴⁾	Interest in controlled corporation	150,590,000(L)	16.84%
Jacobson Pharma Corporation Limited ⁽⁴⁾	Interest in controlled corporation	150,590,000(L)	16.84%
Kingshill Development Limited ⁽⁴⁾	Interest in controlled corporation	150,590,000(L)	16.84%
Kingshill Development Group Inc. ⁽⁴⁾	Interest in controlled corporation	150,590,000(L)	16.84%
Sum Kwong Yip, Derek ⁽⁴⁾	Founder of a discretionary trust who can influence how the trustee exercises discretion	150,590,000(L)	16.84%
UBS Trustees (B.V.I.) Limited ⁽⁴⁾	Trustee	150,590,000(L)	16.84%

Notes:

- (1) The letter “L” denotes the person’s long position in such Shares and the letter “S” denotes the person’s short position in such Shares. The total number of 894,000,000 Shares of the Company in issue as at 30 June 2025 has been used for calculation of the approximate percentage.
- (2) The 300,088,326 Shares are registered in the name of Tycoon Empire, a company wholly owned by Mr. Wong Ka Chun Michael. Ms. Ngai Sze Kei is the spouse of Mr. Wong Ka Chun Michael. By virtue of the provisions in Part XV of the SFO, Ms. Ngai Sze Kei is deemed to be interested in all the Shares which Mr. Wong Ka Chun Michael is interested in or is deemed to be interested in.
- (3) These interests in Shares comprise the 151,895,000 Shares held by CR Pharma Retail. CR Pharma Retail is a company wholly-owned by CR Pharma. Based on the notice of disclosure of interests dated 22 May 2025 of China Resources Company Limited (formerly known as China Resources National Corporation) filed with the Stock Exchange in relation to CR Pharma, CR Pharma is owned as to approximately 53.40% by CRH (Pharmaceutical) Limited, a wholly-owned subsidiary of China Resources (Holdings) Company Limited, which is wholly-owned by CRC Bluesky Limited, which in turn is wholly-owned by China Resources Inc., which in turn is wholly-owned by China Resources Company Limited. By virtue of the provisions of Part XV of the SFO, each of CR Pharma, CRH (Pharmaceutical) Limited, China Resources (Holdings) Company Limited, CRC Bluesky Limited, China Resources Inc. and China Resources Company Limited is deemed to be interested in all the Shares held by CR Pharma Retail.
- (4) These interests in Shares are held by Jacobson Group Treasury, which is a direct wholly-owned subsidiary of Jacobson Pharma Group (BVI) Limited, which in turn is a wholly-owned subsidiary of Jacobson Pharma Corporation Limited (stock code: 2633.hk), in which 42.53% of the issued share capital of Jacobson Pharma Corporation Limited is owned by Kingshill Development Limited, a wholly-owned subsidiary of Kingshill Development Group Inc., which in turn is wholly-owned by UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, a discretionary trust established by Mr. Sum Kwong Yip, Derek (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. By virtue of the provisions of Part XV of the SFO, each of Jacobson Pharma Group (BVI) Limited, Jacobson Pharma Corporation Limited, Kingshill Development Limited, Kingshill Development Group Inc., Mr. Sum Kwong Yip, Derek and UBS Trustees (B.V.I.) Limited is deemed to be interested in all the Shares held by Jacobson Group Treasury.
- (5) The calculation is based on the total number of 894,000,000 Shares in issue as of 30 June 2025.

Save as disclosed above, as at 30 June 2025, so far as the Directors were aware, no other persons (other than the Directors or chief executive of the Company) or entities had any interests or short positions in the Shares or underlying Shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Neither the Company nor any of its holding companies was a party to any arrangements to enable the Directors or their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Period and up to the date of this Interim Report.

SHARE OPTION SCHEME

On 23 March 2020, a share option scheme ("**Share Option Scheme**") was approved and conditionally adopted by the Company, whereby the Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, supplier, customer, adviser or consultant of the Group, options to subscribe for the Shares. For details of the share option scheme, please refer to the Prospectus. From 1 January 2023, the Company has relied on the transitional arrangements provided for the existing Share Schemes and has complied with the new Chapter 17 accordingly (effective from 1 January 2023).

Since its adoption and up to 30 June 2025, no option has been granted or agreed to be granted under the Share Option Scheme. Therefore, no options were exercised or cancelled or lapsed during the Period and there were no outstanding options under the Share Option Scheme as at 30 June 2025. As at the date of this Interim Report, the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme is 80,000,000 Shares, representing 10% of the then issued Shares on the listing date i.e. 15 April 2020.

SHARE AWARD SCHEME

On 25 May 2020, the Board adopted a share award scheme of the Company ("**Share Award Scheme**") in which any employee or consultant of the Group (other than a connected person of the Company or an associate of such connected persons (both terms as defined in the Listing Rules)) ("**Eligible Persons**") will be entitled to participate. From 1 January 2023, the Company has relied on the transitional arrangements provided for the existing Share Scheme and has complied with the new Chapter 17 accordingly (effective from 1 January 2023).

The Share Award Scheme is for the purposes of (i) recognizing the contributions by certain Eligible Persons and giving incentives thereto in order to retain them for the continuing operation and development of the Group; and (ii) attracting suitable personnel for further development of the Group.

The Share Award Scheme will remain in force for a period of 10 years commencing from its adoption date.

The total number of the Shares to be awarded pursuant to the Share Award Scheme shall not exceed 40,000,000 Shares, being 5% of the total issued share capital of the Company as at its adoption date. The maximum number of Shares which may be awarded to a selected grantee at any one time shall not exceed 0.50% of the total number of the issued Shares as at the adoption date and the total number of Shares awarded to such selected grantee in aggregate shall not exceed 1% of the total number of the issued Shares as at the adoption date. Details of the Share Award Scheme are set out in the announcement of the Company dated 25 May 2020.

During the Period, no awarded shares (1H2024: Nil) have been granted, pending vesting, under the Share Award Scheme to the employees of the Group (none of them are Directors or connected persons of the Company), 3,622,000 awarded shares have been vested and 16,000 awarded shares have been forfeited. The vesting period of such awarded shares ranges from 1 April 2022 to 1 April 2026.

For details of the movements in the number of outstanding awarded shares during the Period, please refer to Note 20 to the interim condensed consolidated financial statements of the Company and the following:

Category of participants	Date of grant	Vesting period	Closing price of shares immediately before the date of grant	Number of awarded shares					Outstanding as at 30 June 2025
				Outstanding as at 1 January 2025	Granted during the Period	Vested during the Period (Note 3)	Lapsed/ expired during the Period	Cancelled/ forfeited during the Period (Note 4)	
Directors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Five highest paid individuals in aggregate	1 Apr 2021 ^(Note 2)	1 Apr 2024-1 Apr 2026	HK\$1.58	2,704,000	-	1,160,000	-	-	1,544,000
Other Grantees in aggregate	1 Apr 2021 ^(Note 2)	1 Apr 2022-1 Apr 2026	HK\$1.58	1,086,000	-	466,000	-	-	620,000
Five highest paid individuals in aggregate	1 Jul 2024 ^(Note 2)	1 Jan 2025 - 1 Jul 2026	HK\$3.82	9,560,000	-	1,912,000	-	-	7,648,000
Other Grantees in aggregate	1 Jul 2024 ^(Note 2)	1 Jan 2025 - 1 Jul 2026	HK\$3.82	420,000	-	84,000	-	16,000	320,000
Total				13,770,000	-	3,622,000	-	16,000	10,132,000

Notes:

- Pursuant to the rules of the Share Award Scheme, an Eligible Person shall mean any employee or consultant of any Group company other than any person being a connected person of the Company or an associate of any such connected person. As such, no Director is/will be eligible for participation in the Share Award Scheme.
- The weighted average closing price of the shares immediately before the dates on which the awards to the five highest paid individuals in aggregate and other grantees in aggregate on 1 April 2021 and 1 July 2024 were vested was HK\$3.57 and HK\$3.48, respectively.
- The purchase price of the awards vested during the Period was nil.
- The purchase price of the cancelled/forfeited awards was nil.

The number of options and awards available for grant under the scheme mandate at the beginning and the end of the financial period was as follows:

	As of 1 January 2025	As of 30 June 2025
Total number of options available for grant under the scheme mandate	80,000,000	80,000,000
Total number of awards available for grant under the scheme mandate	22,486,000	22,486,000

Note: There was no service provider sublimit set under the Share Option Scheme and Share Award Scheme.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of shares of the relevant class in issue for the six months ended 30 June 2025 is nil.

Information on the accounting policy for share awards granted and the fair value of awards at the date of grant are provided in Note 20(b) to the interim condensed consolidated financial statements. The fair value of awards at the date of grant are provided in Note 20(b) to the interim condensed consolidated financial statements.

AUDIT COMMITTEE

The Board has established an audit committee ("**Audit Committee**") with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Ms. Chan Ka Lai Vanessa (chairwoman), Mr. Chung Siu Wah and Mr. Mak Chung Hong. The primary duties of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, reviewing the Group's financial information, financial controls, internal control and risk management systems.

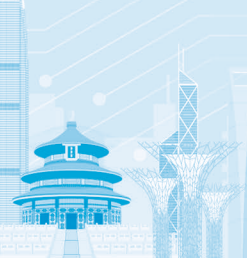
REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the Company's management, the accounting principles and practices adopted by the Group, has discussed internal control and financial reporting matters and has reviewed the unaudited condensed consolidated financial statements of the Group for the Period.

The Audit Committee is satisfied that the unaudited condensed consolidated financial statements of the Group for the Period were prepared in accordance with the applicable accounting standards and fairly present the Group's financial position and results for the Period.

Interim 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
		HK\$'000	HK\$'000
Revenue	7	510,079	435,010
Cost of sales	8	(380,875)	(327,202)
Gross profit		129,204	107,808
Other gains, net	7	2,949	1,481
Selling and distribution expenses	8	(71,730)	(44,459)
General and administrative expenses	8	(50,999)	(33,887)
Operating profit		9,424	30,943
Finance costs		(12,790)	(10,277)
Share of results of investments accounted for using the equity method		(4,017)	3,553
(Loss)/profit before income tax		(7,383)	24,219
Income tax expense	9	(283)	(3,100)
(Loss)/profit for the period		(7,666)	21,119
(Loss)/profit attributable to:			
Equity holders of the Company		(7,984)	21,009
Non-controlling interests		318	110
		(7,666)	21,119
(Losses)/earnings per share attributable to equity holders of the Company			
Basic and diluted (HK cents per share)	10	(1)	3

Interim 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
	HK\$'000	HK\$'000
(Loss)/profit for the period	(7,666)	21,119
Other comprehensive income/(loss)		
<i>Item that has been reclassified or may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	1,884	(696)
Total comprehensive (loss)/income for the period	(5,782)	20,423
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(6,100)	20,313
Non-controlling interests	318	110
	(5,782)	20,423

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

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	12	53,320	53,058
Right-of-use assets	13	19,917	10,465
Intangible assets	14	262,763	82,861
Investments accounted for using the equity method	15	–	81,057
Prepayments and deposits		448	477
Other non-current asset		7,285	–
Deferred income tax assets		12,066	4,427
Total non-current assets		355,799	232,345
Current assets			
Inventories		208,936	167,027
Prepayments, deposits and other receivables		349,283	252,512
Amounts due from related parties	23	–	49,024
Trade receivables	16	281,882	270,635
Cash and cash equivalents		40,809	34,020
Total current assets		880,910	773,218
Total assets		1,236,709	1,005,563
Non-current liabilities			
Loan from shareholders	23	24,782	–
Lease liabilities	13	10,168	4,476
Deferred income tax liabilities		9,216	2,987
Total non-current liabilities		44,166	7,463

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Notes		
Current liabilities			
Trade payables	17	184,704	132,321
Other payables and accruals		57,030	50,008
Bank borrowings	18	360,038	270,296
Loan from shareholders	23	54,000	50,000
Lease liabilities	13	10,438	6,207
Current tax liabilities		1,334	311
Total current liabilities		667,544	509,143
Total liabilities		711,710	516,606
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	19	8,940	8,000
Reserves		507,323	470,852
		516,263	478,852
Non-controlling interests		8,736	10,105
Total equity		524,999	488,957
Total equity and liabilities		1,236,709	1,005,563

Wong Ka Chun Michael
Director

Li Ka Wa Helen
Director

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

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium account HK\$'000	Merge reserve HK\$'000	Other reserve HK\$'000	Unaudited Attributable to equity holders of the Company		Statutory reserve HK\$'000	Exchange reserve HK\$'000	Retained profit HK\$'000	Total HK\$'000	Non-Controlling interests HK\$'000	Total equity HK\$'000
					Share held under share award plan HK\$'000	Share-based payment reserve HK\$'000						
Balance at 1 January 2024	8,000	231,772	(80)	(8,066)	(30,768)	6,215	278	1,530	327,347	536,228	7,318	543,546
Profit for the period	-	-	-	-	-	-	-	-	21,009	21,009	110	21,119
Other comprehensive loss:	-	-	-	-	-	-	-	-	21,009	21,009	110	21,119
Exchange differences arising on translation of the financial statements of foreign subsidiaries	-	-	-	-	-	-	-	(696)	-	(696)	-	(696)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(696)	21,009	20,313	110	20,423
Transactions with owners in their capacity as owners:												
Vested of shares under share award scheme	-	655	-	-	1,999	(2,654)	-	-	-	-	-	-
Vesting of shares under share award scheme	-	-	-	-	-	798	-	-	-	798	-	798
Purchase of shares for share award scheme	-	-	-	-	(20,400)	-	-	-	-	(20,400)	-	(20,400)
Balance at 30 June 2024	8,000	232,427	(80)	(8,066)	(49,169)	4,359	278	834	348,356	536,939	7,428	544,367
Balance at 1 January 2025	8,000	230,865	(80)	(8,066)	(74,806)	24,134	278	(4,060)	302,587	478,852	10,105	488,957
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(7,984)	(7,984)	318	(7,666)
Other comprehensive loss:	-	-	-	-	-	-	-	-	(7,984)	(7,984)	318	(7,666)
Exchange differences arising on translation of the financial statements of foreign subsidiaries	-	-	-	-	-	-	-	1,884	-	1,884	-	1,884
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	1,884	(7,984)	(6,100)	318	(5,782)
Transactions with owners in their capacity as owners:												
Acquisition of a subsidiary (Note 24)	-	-	-	-	-	-	-	-	-	-	(1,687)	(1,687)
Vested of shares under share award scheme	-	871	-	-	9,362	(10,233)	-	-	-	-	-	-
Vesting of shares under share award scheme	-	-	-	-	-	8,071	-	-	-	8,071	-	8,071
Purchase of shares for share award scheme	-	-	-	-	(11,560)	-	-	-	-	(11,560)	-	(11,560)
Issuance of shares	940	46,060	-	-	-	-	-	-	-	47,000	-	47,000
Balance at 30 June 2025	8,940	277,796	(80)	(8,066)	(77,004)	21,972	278	(2,176)	294,603	516,263	8,736	524,999

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

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities		35,191	(12,092)
Income taxes paid		(148)	(3,843)
Net cash generated from/(used in) operating activities		35,043	(15,935)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(476)	(1,045)
Interest received		5	14
Acquisition of a subsidiary	24	(31,966)	(3,648)
Disposal of financial assets at fair value through profit or loss		–	2,627
Net cash used in investing activities		(32,437)	(2,052)
Cash flows from financing activities			
Interest paid		(12,790)	(10,277)
Purchase of shares held under the share award scheme		(11,560)	(20,400)
Step acquisition of a subsidiary		–	(1,368)
Proceeds from bank borrowings		421,511	185,311
Repayment of bank borrowings		(462,054)	(123,713)
Principal elements of lease payments		(4,722)	(4,782)
Proceeds from loan from shareholders		90,000	50,000
Repayment of loan from shareholders		(61,218)	(50,000)
Proceeds from issuance of ordinary shares		46,700	–
Net cash generated from financing activities		5,867	24,771
Net increase in cash and cash equivalents		8,473	6,784
Cash and cash equivalents at beginning of the period		34,020	39,101
Effects of exchange rate changes on cash and cash equivalents		(1,684)	(618)
Cash and cash equivalents at end of the period		40,809	45,267

Notes to the Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Tycoon Group Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) is an exempted company incorporated in the Cayman Islands with limited liability on 14 June 2017. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 14, 8/F., Wah Wai Centre, 38-40 Au Pui Wan Street, Shatin, New Territories, Hong Kong.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) by way of global offering (“**Global Offering**”) since 15 April 2020.

The Company is an investment holding company. During the Period, the Company’s subsidiaries were principally engaged in the distribution and retail of health and well-being related products.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Tycoon Empire Investment Limited, which was incorporated in the British Virgin Islands (“**BVI**”).

This interim condensed consolidated financial information is presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

This interim condensed consolidated financial information was approved for issue by the board of directors of the Company (“**Board**”) on 29 August 2025.

This interim condensed consolidated financial information is unaudited and has been reviewed by the audit committee of the Board and approved for issue by the Board on 29 August 2025.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information is for the Group consisting of the Company and its subsidiaries. This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants. This interim condensed consolidated financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”).

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in the annual consolidated financial statements, except for the estimation of income tax, the adoption of new and amended standards as set out below. Income tax expenses for the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

(b) Impact of new and amended standards issued but not yet applied by the Group

Certain new and amended standards have been issued but are not mandatory for application in the current reporting period. The Group did not early adopt these new and amended standards in the current reporting period. The Group is in the process of assessing the impact of adopting these standards on its current or future reporting periods and on foreseeable future transactions.

4 ESTIMATES

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.



5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Compared to the year ended 31 December 2024, there was no material change in the contractual undiscounted cash flows for financial liabilities.

There have been no significant changes in the Group's risk management policies since 31 December 2024.

5.2 Fair value estimation

The fair value of the Group's assets and liabilities are classified into 3 levels of the fair value measurement hierarchy prescribed under the accounting standards and disclosed as below:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of the following financial assets and liabilities approximate their carrying values due to their short-term maturities, or they are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group:

- Deposits and other receivables
- Amounts due from related parties
- Trade receivables
- Cash and cash equivalents
- Trade payables
- Other payables and accruals
- Bank borrowings
- Loan from shareholders
- Lease liabilities



6 SEGMENT INFORMATION

The executive director has been identified as the chief operating decision-maker. The executive director reviews the Group's internal reports in order to assess performance and allocate resources. The executive director has determined the operating segments based on these reports. Operating segments are reported in a manner consistent with the internal reporting to the Group's key management personnel as follows:

- (a) the distribution segment, which includes the operation of distributing products to chain retailers, non-chain retailers and traders;
- (b) the e-commerce segment, which includes the operation of online stores and wholesale to e-commerce customers; and
- (c) the retail stores segment, which represents the operation of Hong Ning Hong Limited ("**HNH**").

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted (loss)/profit before tax.

The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that gain on remeasurement of previously held interests in an associated company, gain on disposal of financial assets at fair value through profit or loss, foreign exchange differences, net, finance income, finance costs (other than interests on lease liabilities), share-based payment expenses, corporate and other unallocated expenses and income tax expense are excluded from such measurement.

Segment assets exclude deferred income tax assets, investment in an insurance contract, amounts due from related parties, cash and cash equivalents, receivable from disposal of subsidiaries and corporate and other unallocated assets as these assets are managed on a group basis. Segment liabilities exclude deferred income tax liabilities, bank borrowings, loan from shareholders, current tax liabilities, and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Information provided to the executive director is measured in a manner consistent with that the interim condensed consolidated financial information.

6 SEGMENT INFORMATION (continued)

The following table presents revenue and results for the Group's reportable segments:

	Six months ended 30 June (Unaudited)							
	Distribution		E-commerce		Retail Stores		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	343,412	335,216	87,432	–	79,235	99,794	510,079	435,010
Inter-segment revenue	11,084	8,582	17,410	–	2,217	1,328	30,711	9,910
Reportable segment revenue	354,496	343,798	104,842	–	81,452	101,122	540,790	444,920
Reportable segment results	17,761	32,901	(3,701)	3,553	1,040	1,273	15,100	37,727
Gain on remeasurement of previously held interests in an associated company							4,434	–
Gain on disposal of financial assets at fair value through profit or loss							–	2
Foreign exchange differences, net							(727)	(586)
Finance income							5	14
Finance costs (other than interests on lease liabilities)							(12,814)	(10,028)
Share-based payment expenses							(8,071)	(789)
Corporate and other unallocated expenses							(5,310)	(2,121)
(Loss)/profit before income tax							(7,383)	24,219
Income tax expense							(283)	(3,100)
(Loss)/profit for the period							(7,666)	21,119

6 SEGMENT INFORMATION (continued)

The following table presents the total assets and liabilities for the Group's reportable segments:

	Distribution		E-commerce		Retail Stores		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	586,867	616,720	428,636	81,057	144,436	142,186	1,159,939	839,963
Deferred income tax assets							12,066	4,427
Investment in an insurance contract							7,285	-
Amounts due from related parties							-	49,024
Cash and cash equivalents							40,809	34,020
Receivable from disposal of subsidiaries							-	60,000
Corporate and other unallocated assets							16,610	18,129
Total							1,236,709	1,005,563

	Distribution		E-commerce		Retail Stores		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment liabilities	(95,766)	(148,103)	(123,223)	-	(42,453)	(44,011)	(261,442)	(192,114)
Deferred income tax liabilities							(9,216)	(2,987)
Bank borrowings							(360,038)	(270,296)
Loan from shareholders							(78,782)	(50,000)
Current tax liabilities							(1,334)	(311)
Corporate and other unallocated liabilities							(898)	(898)
Total							(711,710)	(516,606)

6 SEGMENT INFORMATION (continued)

	Six months ended 30 June (Unaudited)				Total HK\$'000
	Distribution HK\$'000	E-commerce HK\$'000	Retail Stores HK\$'000	Unallocated HK\$'000	
2025					
Other segment information					
Depreciation of property, plant and equipment, including leasehold land	1,785	632	10	121	2,548
Depreciation of right-of-use assets	2,602	1,034	629	232	4,497
Amortisation of intangible assets	729	1,957	785	–	3,471
Addition to non-current assets	318	193,183	2,043	726	196,270
2024					
Other segment information					
Depreciation of property, plant and equipment, including leasehold land	1,722	–	12	89	1,823
Depreciation of right-of-use assets	3,381	–	1,363	237	4,981
Amortisation of intangible assets	729	–	785	–	1,514
Addition to non-current assets	1,201	–	11	409	1,621

7 REVENUE, OTHER GAINS, NET

Revenue, other gains, net recognised during the period are as follows:

		Unaudited	
		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Revenue			
Sale of goods	510,079	435,010	
Disaggregated revenue information			
Geographical markets			
Hong Kong	336,636	358,406	
Mainland China	87,432	–	
Macau	42,916	45,220	
Singapore	36,625	28,029	
Malaysia	6,271	2,803	
Others	199	552	
Timing of revenue recognition			
Goods transferred at a point of time	510,079	435,010	
Other gains, net			
Gain on remeasurement of previously held interests in an associated company	4,434	–	
Gain on disposal of financial assets at fair value through profit or loss	–	2	
Government subsidies	–	100	
Others	(1,485)	1,379	
	2,949	1,481	

8 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, general and administrative expenses are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold	379,579	326,091
Written-down of inventories	1,296	1,111
Depreciation of property, plant and equipment	2,548	1,823
Depreciation of right-of-use assets	4,497	4,981
Amortisation of intangible assets	3,471	1,514
Employee benefit expenses	43,295	31,456
Share-based payment expense	8,071	798
Expenses under short-term leases	377	1,632
Advertising fee	31,478	15,551

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at 16.5% (six months ended 30 June 2024: same) of the estimated assessable profits for the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax – Hong Kong	378	2,357
Current tax – Macau and others	1,058	827
Deferred tax	(1,153)	(84)
Total income tax expense for the period	283	3,100

10 (LOSSES)/EARNINGS PER SHARE

Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2025	2024
(Losses)/profit attributable to equity holders of the Company (HK\$'000)	(7,984)	21,009
Weighted average number of ordinary shares in issue (in thousands)	808,244	777,923
Basic (losses)/earnings per share (HK cents)	(1)	3

Diluted

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share awards. For the share awards, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the outstanding share awards. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share awards.

For the six months ended 30 June 2025, the diluted loss per share was the same as the basic loss per share as the share awards would result in antidilutive impact to the basic loss per share.

For the six months ended 30 June 2024, the calculation of diluted earnings per share was based on the profit attributable to equity holders of the Company and the adjusted weighted average number of ordinary shares outstanding assuming the conversion of all potentially dilutive ordinary shares, which was calculated as follows:

	Unaudited Six months ended 30 June 2024
Profit attributable to the equity holders of the Company (HK\$'000)	21,009
Weighted average number of ordinary shares in issue (thousand shares)	777,923
Adjustment for share awards (thousand shares)	4,362
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	782,285
Diluted earnings per share attributable to the equity holders of the Company (HK cents per share)	3

11 DIVIDEND

No dividends have been declared for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

12 PROPERTY, PLANT AND EQUIPMENT

	Unaudited As at 30 June 2025 HK\$'000	Unaudited As at 30 June 2024 HK\$'000
Net book value as at 1 January	53,058	54,486
Addition	476	1,045
Acquisition of a subsidiary	2,200	–
Depreciation	(2,548)	(1,823)
Exchange differences	134	(77)
Net book value as at 30 June	53,320	53,631

At 30 June 2025, certain of the Group's property, plant and equipment with a net carrying values of approximately HK\$ 30,790,000 (31 December 2024: HK\$31,862,000), were pledged to secure bank loans of the Group (*Note 18*).

13 LEASES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Right-of-use assets		
Properties	19,917	10,465
Lease liabilities		
Non-current	10,168	4,476
Current	10,438	6,207
	20,606	10,683

During the six months ended 30 June 2025, the additions to right-of-use assets amounted to HK\$13,948,000 (six months ended 30 June 2024: HK\$576,000) and the depreciation expense incurred for the period amounted to HK\$4,497,000 (six months ended 30 June 2024: HK\$4,981,000).

14 INTANGIBLE ASSETS

	Goodwill	Exclusive distribution rights	Customer relationships and supplier relationships	Brand name	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Opening net book amount as at 1 January 2025	64,584	2,155	9,557	6,565	82,861
Acquisition of a subsidiary (Note 24)	138,546	–	41,100	–	179,646
Amortisation during the period	–	(484)	(2,597)	(390)	(3,471)
Exchange realignment	2,255	–	1,472	–	3,727
Closing net book amount as at 30 June 2025	205,385	1,671	49,532	6,175	262,763
Opening net book amount as at 1 January 2024	65,036	2,716	11,151	7,345	86,248
Amortisation during the period	–	(484)	(640)	(390)	(1,514)
Closing net book amount as at 30 June 2024	65,036	2,232	10,511	6,955	84,734

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As at 30 June 2025, the Group holds no investments accounted for using the equity method (31 December 2024: CWA) (Note 24).

As at 31 December 2024

Name of company	Place of incorporation	Place of operation	Percentage of ownership interest attributable to the Group	Nature of relationship	Principal activities	Measurement method
CWA	Hong Kong	Hong Kong	49%	Associated Company	E-commerce Business	Equity method

16 TRADE RECEIVABLES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade receivables	283,240	253,622
Amounts due from related parties (<i>Note 23(b)</i>)	515	18,495
Less: Provision for impairment	(1,873)	(1,482)
Total	281,882	270,635

The Group's credit terms to trade debtors range generally from 30 to 120 days. As at 30 June 2025 and 31 December 2024, the ageing analysis of the gross trade receivables (including amounts due from related parties in trade nature) based on invoice date is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade receivables		
Within 90 days	199,956	192,253
91 to 180 days	21,088	26,182
Over 180 days	62,711	53,682
Total	283,755	272,117



17 TRADE PAYABLES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade payables	48,965	121,445
Amounts due to related parties (<i>Note 23(b)</i>)	135,739	10,876
Total	184,704	132,321

As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Within 30 days	36,101	29,110
31 to 60 days	44,214	24,791
61 to 120 days	77,420	25,741
Over 120 days	26,969	52,679
Total	184,704	132,321

18 BANK BORROWINGS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Current:		
Bank borrowings – Secured	140,420	68,930
Invoice financing loans – Secured	142,430	162,366
Bank borrowings – Unsecured	39,000	39,000
Invoice financing loans – Unsecured	38,188	–
	360,038	270,296

19 SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$'000
Authorised:		
At 31 December 2024, 1 January 2025 and 30 June 2025	10,000,000,000	100,000
Issued and fully paid:		
At 31 December 2024 and 1 January 2025	800,000,000	8,000
Issuance of shares	94,000,000	940
At 30 June 2025	894,000,000	8,940

On 29 April 2025, the Company entered into a subscription arrangement with Jacobson Group Treasury Limited (“**Jacobson Group Treasury**”), an indirect wholly-owned subsidiary of Jacobson Pharma Corporation Limited (“**Jacobson Group**”), pursuant to which the Company has conditionally agreed to allot and issue, and Jacobson Group Treasury has conditionally agreed to subscribe for, a total of 94,000,000 shares of par value of HK\$0.01 each. Such 94,000,000 shares were allotted and issued at a price of HK\$0.5 per shares for a total cash consideration of approximately HK\$47,000,000 excluding share issue expenses on 22 May 2025.

20 SHARE-BASED SCHEME

(a) Share option scheme

The Company has adopted a share option scheme (“**Share Option Scheme**”) pursuant to the shareholders’ written resolution passed on 23 March 2020. The purposes of the Share Option Scheme are to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Eligible persons include (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which the Group holds an equity interest; (b) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and (g) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.



20 SHARE-BASED SCHEME (continued)

(a) Share option scheme (continued)

The maximum number of shares to be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time. The initial total number of shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) 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 shares in issue on the listing date (i.e. 80,000,000 shares). The total number of shares issued and which may fall to be issued upon exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (“**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the shareholders and the shareholders’ approval in general meeting of the Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of the options to be granted to such participant must be fixed before shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee. The period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for shares under the Share Option Scheme will be a price determined by the directors, but shall not be less than the higher of (i) the closing price of shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of shares as stated in the Stock Exchange’s daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares. A nominal consideration of HK\$1.0 is payable on acceptance of the grant of an option.

No share options were granted, under the Share Option Scheme during the current and prior period.

20 SHARE-BASED SCHEME (continued)

(b) Share award scheme

On 25 May 2020, the Board adopted a share award scheme as means to recognise the contributions by certain eligible persons and giving incentives thereto in order to retain them for the continuing operation and development of the Group and attract suitable personnel for further development of the Group ("**Share Award Scheme**").

Subject to any early termination as may be determined by the Board in accordance with the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on 25 May 2020 ("**Adoption Date**"), provided that no further settlement of the reference amount ("**Reference Amount**") shall be made by the Company on or after the 10th anniversary of the Adoption Date. Subject to compliance with all applicable laws, codes or regulations including without limitation those imposed by the Listing Rules from time to time, the Board shall cause the Company to instruct the trustee ("**Trustee**") to purchase the awarded shares. In each case, the purchase shall be made on the open market with the Reference Amount from the funds of the Group. The shares purchased shall be held by the Trustee until they are vested in the selected grantees. The Trustee shall not exercise any voting rights in respect of any shares held under the trust.

The aggregate number of shares to be awarded pursuant to the Share Award Scheme shall not exceed 5% of the total issued share capital of the Company as at the Adoption Date (i.e. 40,000,000 shares). The maximum number of shares which may be awarded to a selected grantee at any one time shall not exceed 0.50% of the total number of issued shares as at the Adoption Date. If and whenever there shall be an alteration to the nominal value of the shares as a result of consolidation or subdivision ("**Capital Reorganisation**") and the effective date of such Capital Reorganisation falls on a day when the Share Award Scheme remains in effect, the maximum number of the shares referred to above shall be adjusted proportionally. Such adjustment shall automatically become effective on the date on which the Capital Reorganisation takes effect.

Awarded shares held by the Trustee upon the trust and which are referable to a selected grantee shall vest to that selected grantee in accordance with a vesting schedule determined at the discretion of the Board, provided that the selected grantee remains at all times after the grant of the award and on each relevant vesting date an eligible person and the transfer documents and any other relevant documents as prescribed by the Trustee to effect the transfer have been duly executed by the selected grantee.

During the six months ended 30 June 2025, the trustee, for the benefit of the eligible participants of the Share Award Scheme, purchased 3,400,000 ordinary shares (2024: 3,960,000) of the Company at an average price of HK\$3.40 per share (2024: HK\$5.15) at an aggregate consideration of HK\$11,560,000 through the Trustee for the Share Award Scheme. As at 30 June 2025, there were 36,560,000 ordinary shares (2024: 33,160,000 ordinary shares) of the Company purchased for the benefits of the eligible participants of the Share Award Scheme.

20 SHARE-BASED SCHEME (continued)

(b) Share award scheme (continued)

During six months ended 30 June 2025, no awarded shares have been granted to the selected grantees under the Share Award Scheme (six months ended 30 June 2024: Nil).

Movements in the number of share award outstanding are as follows:

	Share awards (thousands) 2025	Share awards (thousands) 2024
At 1 January	13,770	5,610
Granted	–	–
Vested	(3,622)	(1,680)
Forfeited	(16)	–
At 30 June	10,132	3,930

The share awards will be vested to the selected grantees during the vesting periods up to five years. For the six months ended 30 June 2025, the weighted average fair value of share awards granted was HK\$2.83 (six months ended 30 June 2024: HK\$1.58). The fair value is the same with the closing share price of the Company quoted on the Stock Exchange on the date of grant.

3,622,000 awarded shares were vested during the six months ended 30 June 2025 (six months ended 30 June 2024: 1,680,000 awarded shares). During the six months ended 30 June 2025, share-base payment expense of HK\$8,071,000 (six months ended 30 June 2024: HK\$798,000) was recognised in the interim condensed consolidated profit or loss and other comprehensive income and was credited to equity.

21 CONTINGENT LIABILITIES

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

22 CAPITAL COMMITMENT

Save as disclosed elsewhere in the interim condensed consolidated financial information, the Group had no material capital commitment as at 30 June 2025 (31 December 2024: Nil).

23 RELATED PARTIES TRANSACTIONS

In addition to the transactions set out elsewhere in the interim condensed consolidated financial information, the Group had the following transactions with related parties during the period:

(a) Transactions with related parties

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Sale of products:		
– China Resources Pharmaceutical Group Limited (“ CR Pharmaceutical ”) and its subsidiaries and an associate (together, the “ CR Pharmaceutical Group ”) (note (i))	71	15,744
– Talent Smart Holdings Limited and its subsidiaries (“ Talent Smart Group ”) (note (ii))	2	29
– CWA and its subsidiaries (note (iii))	76	–
Purchase of products:		
– The CR Pharmaceutical Group (note (i))	214	–
– Talent Smart Group (note (ii))	9,545	2,660
– Jacobson Medical (Hong Kong) Limited and its subsidiaries (“ JBM Group ”) (note (iv))	130,300	–
Service expense:		
– CWA and its subsidiaries (note (v))	721	–
Service income:		
– CWA and its subsidiaries (note (v))	–	1,068
Payment made on behalf of:		
– Fancy Summit Inc. and its subsidiaries (note (vi))	–	11



23 RELATED PARTIES TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

During the period ended 30 June 2025, the Group leased properties from Mr. Wong Ka Chun Michael, the controlling shareholder of the Company, ("**Controlling Shareholder**") for warehouse and carpark use. The monthly lease payable was determined on a basis mutually agreed by both parties with reference to the prevailing market rent of similar properties located at the surrounding area available to independent third parties at the time when the lease agreement was entered into. Right-of-use assets of HK\$5,113,000 (31 December 2024: HK\$6,818,000) and lease liabilities of HK\$5,231,000 (31 December 2024: HK\$6,922,000) in respect to the leases were recognised in the interim condensed consolidated statement of financial position as at 30 June 2025.

During the period ended 30 June 2025, depreciation of right-of-use assets of HK\$4,497,000 (six months ended 30 June 2024: HK\$1,704,000) and interest expense on the lease liabilities of HK\$293,000 (six months ended 30 June 2024: HK\$142,000) was charged to the interim condensed consolidated statement of profit or loss and other comprehensive income.

Notes:

- (i) During the six months ended 30 June 2025, sales to and purchase of products from the CR Pharmaceutical Group were transacted pursuant to the terms and conditions mutually agreed between the Company and the CR Pharmaceutical Group.
- (ii) Sales to and purchase of products from Talent Smart Group were transacted pursuant to the terms and conditions mutually agreed between the Company and Talent Smart Group.
- (iii) The sales to CWA and its subsidiaries, an associate of the Company during the period before it became a wholly owned subsidiary of the Group from 1 March 2025 onwards, were made at a mutually agreed price.
- (iv) The purchase from JBM Group, a group controlled by the same ultimate beneficial owner of Jacobson Group, were transacted pursuant to the terms and conditions mutually agreed between the Company and JBM Group.
- (v) Service income from and expense payable to CWA and its subsidiaries before it became a wholly owned subsidiary of the Group from 1 March 2025 onwards, were transacted at a rate mutually agreed between the two parties.
- (vi) The amounts represent expenses paid on behalf of the related parties during the six months ended 30 June 2024.

23 RELATED PARTIES TRANSACTIONS (continued)

(b) Outstanding balances with related parties

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Notes		
Trade and other receivables			
Trade receivables due from			
– CR Pharmaceutical Group	(i)	515	161
– Talent Smart Group		–	8
– CWA and its subsidiaries		–	18,326
		515	18,495
Amounts due from			
– Talent Smart Group		–	1,727
– CWA and its subsidiaries		–	47,297
		–	49,024
Trade and other payables			
Trade payable due to			
– CR Pharmaceutical Group	(i)	918	–
– Talent Smart Group	(ii)	5,813	3,196
– CWA and its subsidiaries	(ii)	–	7,680
– JBM Group	(iii)	129,008	–
		135,739	10,876
Loan from shareholders			
– Jacobson Group Treasury	(iv)	50,000	50,000
– Mr. Wong Ka Chun Michael	(v)	28,782	–
		78,782	50,000

Notes:

- (i) As at 30 June 2025, the balances with the CR Pharmaceutical Group are unsecured, interest-free and with a credit period of 30 to 60 days.
- (ii) As at 30 June 2025, these balances are unsecured, interest-free and repayable on demand.
- (iii) As at 30 June 2025, the balances with the JBM Group are unsecured, interest-free and with a credit period of 90 days.



23 RELATED PARTIES TRANSACTIONS (continued)

(b) Outstanding balances with related parties (continued)

Notes: (continued)

- (iv) As at 30 June 2025, the balance with the Jacobson Group Treasury is secured by all shares in HNH held by the Group, with interest bearing at HIBOR + 2.5% per annum and was repayable on 31 March 2028. At 30 June 2025, all of the Group's shares in HNH were pledged to secure a loan from a shareholder granted to the Group.
- (v) As of 30 June 2025, the outstanding balances comprise two unsecured loans from Mr. Wong Ka Chun Michael, each bearing interest at 6.5% per annum. One loan is due for repayment in full by 31 May 2030, while the other is repayable in monthly installments, with the final installment due on 17 February 2030. An amount of HK\$4,000,000 is classified as current liabilities.

24 BUSINESS COMBINATION

On 7 July 2023, Dynasty Garden Limited, an indirect wholly-owned subsidiary of the Company as Vendor (the “**Vendor**”), entered into a sale and purchase agreement with purchaser (the “**SP Agreement**”), Evolution Capital Fund (the “**Purchaser**”). Pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell 51% of the issued shares of CWA (the “**Sale Shares**”), a company then owned as to 49% by the Purchaser, for an aggregate consideration of HK\$130,000,000. As of 31 December 2024, HK\$70,000,000 of the consideration had been settled, with the remaining unsettled amount of HK\$60,000,000 (“**the Remaining Consideration Receivable**”) recognised as other receivables on the consolidated statement of financial position.

Pursuant to the SP Agreement, the Vendor has granted the Purchaser a put option, pursuant to which the Purchaser is entitled to, subject to completion of the Disposal, sell at its discretion all (and not part) of the Sale Shares held by it, representing 51% of its issued share capital, to the Vendor and/or other party(ies) procured by the Vendor upon the occurrence of the put option triggering events, among others, the Target Group failing to meet any of the performance targets.

On 27 January 2025, the Vendor received a notice of exercise of the put option (the “**Put Option**”) from the Purchaser under which the Vendor was required to purchase the Sale Shares back from the Purchaser at an consideration of HK\$106,000,000 (the “**Acquisition**”), as CWA and its subsidiaries (the “**Target Group**”) had failed to meet one of its performance targets in relation to target turnover and target profits aggregate. Completion of such exercise of put option took place on 28 February 2025, whereby the Target Group became wholly owned subsidiaries of the Company and their financial results were consolidated into the Group's financial statements.

Net acquisition-related costs of HK\$285,000 have been charged to the general and administrative expense in the consolidated statement of profit or loss and other comprehensive income.

24 BUSINESS COMBINATION (continued)

The provisional fair values of the identifiable assets and liabilities of CWA assumed, the consideration paid as at the date of Acquisition were as follows:

	HK\$'000
Consideration	
Cash paid	46,000
Remaining Consideration Receivable (<i>Note</i>)	60,000
Total Consideration	106,000
Fair value of the previously held interests in CWA	81,475
	187,475
Intangible assets (<i>Note 14</i>)	41,100
Property, plant and equipment	2,200
Right-of-use assets	11,091
Trade receivables	62,696
Prepayments, deposits and other receivables	147,676
Current tax receivables	275
Inventories	50,046
Cash and cash equivalents	14,034
Deferred tax assets	7,028
Other non-current assets	7,285
Trade payables	(68,312)
Interest-bearing bank borrowings	(130,285)
Other payables and accruals	(12,213)
Lease liabilities	(11,494)
Amount due to related parties	(67,103)
Deferred tax liabilities	(6,782)
Total fair value of identifiable net assets acquired	47,242
Non-controlling interest	1,687
Goodwill on acquisition (<i>Note 14</i>)	138,546
	187,475
Cash consideration paid	(46,000)
Cash and cash equivalents acquired	14,034
Net cash outflow on Acquisition for the period	(31,966)

Note:

For the period ended 30 June 2025, the Company settled the total consideration of HK\$106,000,000 for the acquisition of a 51% equity interest in the CWA Group, comprising HK\$46,000,000 in cash and an offset of the Remaining Consideration Receivable of HK\$60,000,000 from the Purchaser.



24 BUSINESS COMBINATION (continued)

The goodwill is attributable to a number of factors, amongst others, the synergies expected to arise after the Group's acquisition of CWA. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of trade receivables is HK\$62,696,000. The gross contractual amount for trade receivables due is HK\$62,696,000, all of which is expected to be collectible. The fair value of the acquired identifiable assets was provisional pending receipt of the final valuations of those assets. Deferred income tax liabilities of HK\$6,782,000 have been recognised in relation to the fair value adjustments.

The revenue included in the consolidated statement of profit or loss and other comprehensive income since 28 February 2025 contributed by CWA was HK\$87,432,000. It had net loss of HK\$1,226,000 over the same period. Had CWA been consolidated from 1 January 2025, the consolidated statement of profit or loss and other comprehensive income would show pro-forma revenue of HK\$540,891,000 and net loss of HK\$11,085,000.