



INTERIM REPORT
2025

TATA Health International Holdings Limited
TATA健康國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1255)



CONTENTS

Corporate Information	2
Financial Highlights	3
Management Discussion and Analysis	4
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	16
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Statement of Cash Flows	19
Notes to the Condensed Consolidated Financial Statements	20
General Information	30

CORPORATE INFORMATION

Board of Directors

Executive Director

Mr. Zhang Ming Qi (*Chief Executive Officer*)

Non-executive Directors

Mr. Chu Chun Ho, Dominic

Mr. Chen Qi

Independent Non-executive Directors

Ms. Huang Lin

Mr. Li Liang

Mr. Du Jianfeng

Mr. Tan Kaiguo

Audit Committee

Mr. Tan Kaiguo (*Chairman*) (appointed on 30 September 2025)

Mr. Li Liang

Mr. Du Jianfeng

Remuneration Committee

Ms. Huang Lin (*Chairman*)

Mr. Li Liang

Mr. Du Jianfeng

Nomination Committee

Ms. Huang Lin (*Chairman*)

Ms. Li Liang

Mr. Du Jianfeng

Authorised Representatives

Mr. Zhang Ming Qi

Mr. Tung Tat Chiu, Michael

Company Secretary

Mr. Tung Tat Chiu, Michael

Registered Office in the Cayman Islands

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Flat F-J, 11th Floor
Block 2, Kwai Tak Industrial Centre
15-33 Kwai Tak Street
Kwai Chung
New Territories
Hong Kong

Stock Code

1255

Website

www.s-culture.com

Legal Adviser as to Hong Kong Law

Tung & Co.
Office 1601, 16/F, LHT Tower
31 Queen's Road Central
Central
Hong Kong

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Ocorian Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
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

FINANCIAL HIGHLIGHTS

For the six months ended 30 June

		2025	2024
Revenue	HK\$'000	42,118	72,309
Gross profit	HK\$'000	34,833	55,397
Profit/(loss) before taxation	HK\$'000	20,596	(5,130)
Profit/(loss) attributable to owners of the Company	HK\$'000	20,596	(5,130)
Gross profit margin	%	82.7	76.6
Profit/(loss) margin attributable to owners of the Company	%	48.9	(7.1)
Earning/(loss) per share — basic and diluted	HK\$	0.08	(0.02)

As at

		30 June 2025	31 December 2024
Current ratio		0.61 times	0.61 times
Gearing ratio		-44.2%	-26.7%
Average trade receivables turnover period		19.3 days	18.8 days
Average trade payables turnover period		115.0 days	39.9 days
Average inventory turnover period		277.0 days	111.3 days



MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Director(s)**”) of TATA Health International Holdings Limited (“**TATA Health**” or the “**Company**”, together with its subsidiaries, the “**Group**”) hereby presents the Group’s interim results for the six months ended 30 June 2025 (the “**Reporting Period**”).

OPERATION REVIEW AND FUTURE DEVELOPMENT

In the past six months, with the gradual recovery of Hong Kong’s economy, especially the retail industry, after the COVID-19 pandemic, the footwear business accounted for 100% of the Company’s revenue, suffering a decline in revenue. In addition, the other three segments still have not improved, especially the healthcare and the online medical service businesses, which were still in operational stagnation.

Footwear Business

The revenue of the Group’s footwear business for the Reporting Period was approximately HK\$42.1 million, representing approximately 41.8% decrease from approximately HK\$72.3 million for the corresponding period of 2024 which was mainly attributable to the weak consumer sentiment with the ongoing economic uncertainty, which created a challenging environment for the retail sector in Hong Kong during the Reporting Period.

Healthcare Business

The revenue of the healthcare business segment for the Reporting Period was nil (2024: nil) and no segment loss for the Reporting Period (2024: nil) was recorded. The nil in revenue for the Reporting Period and the corresponding period in 2024 was mainly due to business stagnation.

Financial Services

The operating revenue of DSG Finance Holdings (Hong Kong) Limited (a subsidiary of the Company) and its subsidiaries (collectively, the “**DSG Group**”) derives from: (i) investment management services; (ii) advisory services in securities; and (iii) advisory services in corporate finance.

In order to release more liquid capital and allocate resources more effectively, DSG Securities (Hong Kong) Limited applied for the reduction of its Type 1 regulated activities (dealing in securities), which had been approved by the Securities and Futures Commission on 18 July 2022. DSG Group had nil revenue for the Reporting Period (2024: nil), which was mainly due to business stagnation.

Online Medical Services Business

Revenue was nil during the Reporting Period (2024: nil).

The business is still in a stagnant state, and due to the inability to repay employees' unpaid wages, Shangying Internet Medical (Shanghai) Co. Limited* 商贏互聯網醫療(上海)有限公司 (an indirect non-wholly owned subsidiary of the Company), being the major business entity for the provision of online medical services, has entered into bankruptcy proceedings in the PRC. For details, please refer to the announcement of the Company published on 3 January 2025 and Note 12(a) to the condensed consolidated financial statements as set out in this interim report.

Prospects

In the past six months, the overall global economic environment was still unstable, despite the gradual improvement of Hong Kong's economic environment and the measures taken by the HKSAR Government to boost the economy after the COVID-19 pandemic, the overall retail industry in Hong Kong showed a shrinking trend.

As part of the retail industry, the sales of the footwear business, which accounted for 100% of the Company's revenue, decreased by approximately 41.8% in the Reporting Period compared to the same period last year. Looking ahead, we will focus more on the diversification of our range of footwear products, explore potential business collaborations and introduce new brands with growth potential and high gross profit margins.

For the DSG Group, which is also located in Hong Kong, the revenue was nil during the Reporting Period and the corresponding period in 2024, respectively, as DSG Group basically had no business operation starting from 2024. It will continue to focus on developing its financing consulting business and explore new market opportunities, such as Singapore, in the future.

* For identification purposes only

FINANCIAL REVIEW

Revenue

Revenue of the Group's businesses for the Reporting Period was approximately HK\$42.1 million, representing an approximate 41.8% decrease from approximately HK\$72.3 million for the six months ended 30 June 2024, which was mainly due to the decrease in the revenue of the footwear business.

Revenue from the Footwear Business

Revenue of the Group's footwear business for the Reporting Period was approximately HK\$42.1 million, representing an approximate 41.8% decrease from HK\$72.3 million of the corresponding period of 2024. The decrease in revenue of the Group's footwear business was mainly due to weak consumer sentiment with the ongoing economic uncertainty, which created a challenging environment for the retail sector in Hong Kong during the Reporting Period.

As at 30 June 2025, the Group operated 31 retail outlets in Hong Kong (30 June 2024: 27) and 4 retail outlets in Macau (30 June 2024: 3).

Revenue from the Healthcare Business

Revenue of the Group's healthcare business for the Reporting Period was nil (30 June 2024: nil). The main reason for the suspension of sales activities was due to the customs blockade and insufficient funding in the previous years.

Revenue from the Financial Services Business

Revenue of the Group's financial services business for the Reporting Period was nil (30 June 2024: nil), which was mainly due to business stagnation.

Revenue from the Online Medical Services Business

Revenue of the Group's online medical services business for the Reporting Period was nil (30 June 2024: nil), which was mainly due to business stagnation.

Cost of Sales

Cost of sales amounted to approximately HK\$7.3 million for the Reporting Period, representing approximately 17.3% of revenue (30 June 2024: approximately HK\$16.9 million, representing approximately 23.4% of revenue). The decrease in cost of sales was mainly due to the decrease in revenue of the footwear product.

Gross Profit

Gross profit (which equals to revenue minus cost of sales) of the Group for the Reporting Period was approximately HK\$34.8 million, representing a decrease of approximately 37.2% from approximately HK\$55.4 million from the corresponding period of 2024. Gross profit margin of the Group for the Reporting Period was approximately 82.7% (30 June 2024: approximately 76.6%).

Staff Costs

Staff costs for the Reporting Period were approximately HK\$27.6 million, representing approximately 65.6% of revenue (30 June 2024: approximately HK\$21.6 million, representing approximately 29.9% of revenue).

Depreciation

Depreciation accounted for approximately 12.4% of revenue for the Reporting Period (30 June 2024: approximately 11.1%).

Finance Costs

Finance costs of the Group for the Reporting Period amounted to approximately HK\$1.3 million (30 June 2024: approximately HK\$1.2 million). The finance costs mainly consist of interest expenses incurred on lease liabilities.

Profit/(loss) Before Taxation

As a result of the foregoing, profit before taxation of the Group for the Reporting Period was approximately HK\$20.6 million (30 June 2024: loss before taxation of approximately HK\$5.1 million), which was mainly attributed to the one-off gain on disposal of subsidiaries in the amount of approximately HK\$34.7 million.

Liquidity and Financial Resources

The Group finances its working capital with internally generated cash flows, bank borrowings and financial support from the Company's shareholders. As at 30 June 2025, the Group had bank deposits and cash amounting to approximately HK\$22.4 million (31 December 2024: approximately HK\$23.0 million), representing a decrease of approximately 2.6% from 31 December 2024. The decrease in bank deposits and cash balances was mainly due to the decrease in sales from the footwear business. Most bank deposits and cash were denominated in Hong Kong dollars. As at 30 June 2025, the Group had amount due to a director to approximately HK\$21.5 million (31 December 2024: other borrowing — due within one year of approximately HK\$15.0 million). As at 30 June 2025, the Group did not have any outstanding long-term borrowings, except for long-term lease liabilities in the amount of approximately HK\$1.9 million (31 December 2024: approximately HK\$7.4 million).

Pledge of Assets

As at 30 June 2025, investment properties, leasehold land and buildings, (31 December 2024: leasehold land and buildings, pledged time deposits, investment properties and deposit, prepayment for a life insurance policy and related company's land and buildings) were pledged to secure the borrowings and facilities granted to the Group.

Gearing Ratio

As at 30 June 2025, the Group's gearing ratio (which equals to total debt to total equity) was approximately -44.2% (31 December 2024: approximately -26.7%). The negative gearing ratio was mainly due to loss making of the Group during the Reporting Period. The effect was partially offset by the profit making during the Reporting Period.

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities.

Future Plans for Material Investments or Acquisition of Capital Assets

Save as disclosed in Notes 1 and 12 to the condensed consolidated financial statements, the Group had no specific plans for material investments or acquisition of capital assets as at 30 June 2025.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in Notes 1 and 12 to the condensed consolidated financial statements, the Group had no significant investments held, nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Treasury Policy

The Group adopts a treasury policy that aims to better control its treasury operations and lower borrowing costs. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board will also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Announcements pursuant to Rule 3.7 the Takeovers Code

On 7 May 2020, the Company had received a letter regarding the appointment of joint and several receivers and managers (collectively, the "**Receivers**") over 123,993,617 shares of the Company (the "**Charged Shares**") held by Shang Ying Financial Holding Co., Limited, which had been charged to Great Wall International Investment X Limited. The Charged Shares represented approximately 51.06% of the issued Shares as at the date of this report, and the Company was given to understand that the Receivers may look for potential purchaser(s) for the Charged Shares (the "**Possible Transaction**") which was subsequently suspended in April 2021 and resumed operation in January 2022. For further details of the Possible Transaction, please refer to the announcements of the Company dated 8 May 2020, 12 May 2020, 12 June 2020, 13 July 2020, 13 August 2020, 11 September 2020, 12 October 2020, 12 November 2020, 11 December 2020, 12 January 2021, 11 February 2021, 12 March 2021, 12 April 2021, 13 January 2022, 11 February 2022, 11 March 2022, 13 April 2022, 13 May 2022, 13 June 2022, 13 July 2022, 12 August 2022, 13 September 2022, 13 October 2022, 11 November 2022, 13 December 2022, 13 January 2023, 13 February 2023, 13 March 2023, 13 April 2023, 13 May 2023, 13 June 2023, 13 July 2023, 12 August 2023, 13 September 2023, 13 October 2023, 11 November 2023, 11 December 2023, 12 January 2024, 11 February 2024, 13 March 2024, 12 April 2024, 14 May 2024, 14 June 2024, 12 July 2024, 12 August 2024, 13 September 2024, 14 October 2024, 14 November 2024, 13 December 2024, 13 January 2025, 13 February 2025, 14 March 2025, 14 April 2025 and 15 May 2025, respectively.

Pursuant to the monthly update announcement dated 22 July 2025 made by the Company pursuant to Rule 3.7 of the Codes on Takeovers and Mergers and Share Buy-backs, the Company was informed that the Receivers had ceased to be the joint and several receivers and managers over the Charged Shares with effect from 2 June 2025, and the offer period had come to an end on 2 June 2025 as the Company believed that an offer on the Charged Shares is unlikely to be imminent.

Foreign Currency Risks

The Group's sales and purchases for the Reporting Period were mostly denominated in Hong Kong dollars, Renminbi, Macau Pataca, Singapore dollars, Euros, United States dollars and Australian dollars. Renminbi is not a freely convertible currency, and the currency market for Macau Pataca is relatively small and undeveloped. In view of the above, future exchange rates of the above currencies could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the respective governments and the depth and breadth of the respective markets of currency exchange. The respective exchange rates may also be affected by economic developments and geopolitical changes domestically and internationally, and the demand and supply of the respective currencies. The appreciation or devaluation of the respective currencies against Hong Kong dollars may also have an impact on the Group's results.

The Group manages its foreign currency risk by closely monitoring the movements of foreign currency exchange rates. The Group did not enter into any foreign currency forward contracts to hedge against foreign currency risk as at 30 June 2025.

HUMAN RESOURCES

As at 30 June 2025, the Group employed 107 employees (31 December 2024: 114). Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications and experience. During the Reporting Period, various training activities, such as training of product and service knowledge, management skills as well as local consumer laws, had been conducted to improve the performance of our staff members.

Interim Dividend

The Board has resolved not to pay an interim dividend for the Reporting Period (six months ended 30 June 2024: Nil).


Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 30 June 2025 and the date of this interim report, the Company did not hold any treasury shares.

Corporate Governance Practices

The Company believes that good corporate governance practices are very important for maintaining and promoting investor confidence and sustainable growth of the Group. The Board is committed to maintaining a solid, transparent and sensible framework of corporate governance and related measures that the Directors consider applicable to and practical for the Group. The Board will continue to monitor and review their effectiveness.

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") since its listing date (which was 11 July 2013).



Management Discussion and Analysis

The Board considers that during the Reporting Period, the Company has complied with the code provisions set out in the CG Code except for the following deviation:

As there were substantial changes to the composition of the Board during the period between September 2023 and October 2025, based on the information available to the current board of directors of the Company, it was noted that certain corporate governance practices set out in the Corporate Governance Code under Appendix C1 to the Listing Rules were not fully complied with during the Year. Based on the information available, the Company has not fully complied with the code provisions, including:

Code Provision	Reasons for the non-compliance and improvement actions took or to be taken
C.1.7	As it takes time for the Company to identify a suitable insurer under reasonable commercial terms and conditions, the Company will arrange appropriate insurance cover in respect of legal action against its Directors.
C.2.1 to C.2.9	Following the retirement of Mr. Yang Jun (the former chairman of the Company) after the conclusion of the annual general meeting held on 7 September 2023 and up to the date of this annual report, the Company has not appointed any individual to take up the office of the chairman of the Company. Since Mr. Lai Wenjing retired as the chief executive officer on 7 September 2023, the Company had not appointed any individual to take up the office of the Chief Executive Officer until the appointment of Mr. Zhang Ming Qi as the Chief Executive Officer on 21 October 2025. Certain responsibilities of the chairman and the chief executive officer were shared among the other members of the Board during the vacant period.
D.2.1 & D.2.2	In respect of the resumption guidance imposed by the Stock Exchange, an independent internal controls review was conducted in 2025. Details of the key findings and actions taken were disclosed in the Company's announcement dated 10 November 2025.

Notwithstanding the above, the Company has adopted the alternative actions and steps during the Reporting Period to redress the deficiencies in the relevant code provisions.

Non-compliance with Rules 3.10(1), 3.10(2) and 3.21 of the Listing Rules

As disclosed in the announcements of the Company dated 19 June 2025 and 27 June 2025, there were non-compliances in respect of Rules 3.10(1) and 3.21 of the Listing Rules. Following the appointments of Ms. Huang Lin, Mr. Li Liang and Mr. Du Jianfeng as independent non-executive Directors with effect from 23 June 2025, the Company re-complied with the said Rules. In addition, as disclosed in the Company's announcement dated 3 September 2025, there was a non-compliance with Rule 3.10(2) of the Listing Rules. Following the appointment of Mr. Tan Kaiguo with effect from 30 September 2025, the Company re-complied with the said Rule.

Non-compliance with Rule 13.46(2)(b) of the Listing Rules

In accordance with Rule 13.46(2)(b) of the Listing Rules, every listed issuer must hold its annual general meeting within six months after the end of its financial year. As the financial year end date of the Company is 31 December, the Company is required to hold its annual general meeting before 30 June each year. The Company did not hold its annual general meetings in respect of the years ended 31 December 2023 and 2024, by the applicable deadlines of 30 June 2024 and 30 June 2025. The Board will convene an annual general meeting as soon as practicable to adopt the audited consolidated financial statements for the years ended 31 December 2023 and 2024 respectively.

The Board acknowledges the importance of the compliance of the Listing Rules. The Company will use its best endeavors to enhance its corporate governance and internal control systems to prevent any non-compliance of the Listing Rules in the future.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as contained in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ dealings in the Company’s securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the Reporting Period.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”), comprising 4 independent non-executive Directors — Ms. Huang Lin, Mr. Li Liang, Mr. Du Jianfeng and Mr. Tan Kaiguo. The Audit Committee has reviewed with the management the principal accounting policies adopted by the Group and discussed the risk management and internal control systems and financial reporting matters, including the review of the interim report (containing the unaudited condensed consolidated financial statements) of the Company, for the Reporting Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD


Save as disclosed below and in Note 12 to the consolidated financial statements as set out in this interim report, the Group had no other significant event that happened after the Reporting Period.

Implementation of Action Plan to Resolve Auditor’s Disclaimer of Opinion on the Annual Consolidated Financial Statements

Latest Progress of the Financial Impact to the Group’s Consolidation Financial Statements due to Lost Record

Details of the disclaimer of opinion

As at 31 December 2024, the auditor issued a disclaimer of opinion due to the directors were unable to locate the Lost Records from the Previous Director. As a result, the directors were unable to provide the auditor with satisfactory accounting books and records and supporting documents of ShangYing International Group (“**Shanghai Ying Group**”) and Shang Ying Retail Group (“**ShangYing Group**”) for the financial years ended 31 December 2024 and 2023 and subsequent to the end of the financial reporting period. The auditor were therefore unable to obtain sufficient appropriate audit evidence to satisfy that the carrying amounts of assets and liabilities of Shanghai Ying Group and Shangying Group included in the consolidated assets and liabilities of the Group presented in the consolidated statement of financial position as at 31 December 2024 and 2023 and the results and cash flows of Shanghai Ying Group and Shang Ying Group included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the years ended 31 December 2024 and 2023, which amounts are disclosed in Note 3.1 to the consolidated financial statements, were free of material misstatement.



Management Discussion and Analysis

As disclosed in notes of Basis of preparation and loans to an associate, the principal assets of Shanghai Ying Group and ShangYing Group included in the consolidated statement of financial position of the Group as at 31 December 2024 were loans to an associate with carrying amounts of HK\$29,325,000 as at 31 December 2024 and HK\$44,001,000 as at 31 December 2023. Allowance for impairment loss of approximately HK\$16,771,000 and HK\$1,052,000 had been deducted in arriving at the carrying amounts of the loans to an associate as at 31 December 2024 and 2023 respectively. The management of the Company has determined the allowance for impairment loss as at 31 December 2024 based on the offset amount set out in the deed of assignment and set-off which was executed subsequent to the end of the reporting period in August 2025, details of which are disclosed in note of Events after Reporting Period. Due to lack of any other sufficient supporting documents of Shang Ying Group, for reasons as described above, and of the associate, we have been unable to obtain sufficient and appropriate audit evidence to satisfy ourselves about the adequacy of the related allowance for impairment losses as at 31 December 2024 and 2023 and consequently whether the carrying amounts of the loans to an associate of HK\$29,325,000 as at 31 December 2024 and HK\$44,001,000 as at 31 December 2023 and whether the impairment loss allowance recognised in consolidated profit or loss for the years ended 31 December 2024 and 2023 were materially misstated.

Remediation Status

On 30 December 2024, the Company entered into sale and purchase agreements with independent third parties for the disposal of Shanghai Ying Group. Such disposal was completed on 8 April 2025.

On 11 September 2025, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the Shang Ying Group. Such disposal was completed on 24 September 2025.

The board has designated responsible persons to establish and execute a comprehensive Subsidiary Financial Reporting Policy that defines: i) specific reporting deadline and submission procedures; ii) minimum content requirements including financial statements, key performance indicators and variance analyses; iii) review and approval processes at subsidiary and parent company levels; iv) consequences for late or non-compliant reporting; and v) communication protocols for significant events or exceptions.

The remedial measures implemented have been designed to address the causes relating to the transfer of control of the relevant entities to parties outside the Group and historical weaknesses at those entities in centralised record retention and formal handover. Since the entities implicated in the loss of records are no longer within the Group, and the Group's continuing operations are concentrated in the Holding Group which maintains an established finance function.

Latest Progress of the Lost Record and Lost Control Over Subsidiaries

Details of the disclaimer of opinion

As at 31 December 2024, the auditor issued a disclaimer of opinion due to inability to obtain sufficient appropriate audit evidence for the books/records and balance of Shang Ying International Trade Holdings Limited and its subsidiaries ("**Shanghai Ying Group**") and Shang Ying New Retail Group Holdings Limited and its subsidiaries ("**Shang Ying Group**"), as the Group could not locate records or contact the former director responsible for them.

On 30 December 2024, the Company entered into sale and purchase agreements with independent third parties for the disposal of Shanghai Ying Group. Such disposal was completed on 8 April 2025. On 11 September 2025, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the Shang Ying Group. Such disposal was completed on 24 September 2025.

Remediation Status

The board has designated responsible persons to establish and execute a comprehensive Subsidiary Financial Reporting Policy that defines: i) specific reporting deadline and submission procedures; ii) minimum content requirements including financial statements, key performance indicators and variance analyses; iii) review and approval processes at subsidiary and parent company levels; iv) consequences for late or non-compliant reporting; and v) communication protocols for significant events or exceptions.

The remedial measures implemented have been designed to address the causes relating to the transfer of control of the relevant entities to parties outside the Group and historical weaknesses at those entities in centralised record retention and formal handover. Since the entities implicated in the loss of records are no longer within the Group, and the Group's continuing operations are concentrated in the Holding Group which maintains an established finance function.

Latest Progress of the Liquidation of Shangying Internet Medical (Shanghai) Co. Limited

Details of the disclaimer of opinion


The Shangying Medical Group (as defined in the Independent Auditors' Report hereinafter) was held by the Shanghai Ying Group. As a result of the above matters and the matters in relation to the Lost Records described above, the directors were unable to provide us with satisfactory accounting books and records and supporting documents of Shangying Medical Group for the period from 1 January 2024 to the Deconsolidation date (as defined in the Independent Auditors' Report hereinafter) and for subsequent periods. We were therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the results and cash flows of Shangying Medical Group for the period from 1 January 2024 to the Deconsolidation date included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2024, were free of material misstatement. For the same reasons, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amounts of assets and liabilities of Shangying Medical Group at the Deconsolidation date which entered into the determination of the loss on deconsolidation of the Shangying Medical Group, and consequently the loss on deconsolidation of the Shangying Medical Group amounting to HK\$5,554,000 included in the "Other gains and losses" recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 as disclosed in note of Deconsolidation of subsidiaries, were free of material misstatement. There were no other satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters as set out above. As a result of these matters, we were unable to determine whether any adjustments might have been found to be necessary in respect of the items as set out above, and the related elements of and disclosures in the consolidated financial statements.

Remediation Status

On 30 December 2024, the Company entered into sale and purchase agreements with independent third parties for the disposal of Shanghai Ying Group. Such disposal was completed on 8 April 2025.

The board has designated responsible persons to establish and execute a comprehensive Subsidiary Financial Reporting Policy that defines: i) specific reporting deadline and submission procedures; ii) minimum content requirements including financial statements, key performance indicators and variance analyses; iii) review and approval processes at subsidiary and parent company levels; iv) consequences for late or non-compliant reporting; and v) communication protocols for significant events or exceptions.

The remedial measures implemented have been designed to address the causes relating to the transfer of control of the relevant entities to parties outside the Group and historical weaknesses at those entities in centralised record retention and formal handover. Since the entities implicated in the loss of records are no longer within the Group, and the Group's continuing operations are concentrated in the Holding Group which maintains an established finance function.



Management Discussion and Analysis

The disclaimer of opinion made by HLB, was on the bases of (i) the potential financial impacts of the lost records to the Group after the disposals (as referred to in Note 44 to the Financial Statements); and (ii) the potential impacts of the matters concerning the recoverability of the loans to an associate. However, as disclosed in the announcement of the Company dated 28 November 2025, the Company has obtained written confirmation from HLB confirming that the disclaimer of opinion is expected to be fully removed in financial year of 2027 and will not have any continuing effect on the consolidated financial statements of the Group from then on, on the grounds that: (i) the disposals will impact the Group's profit or loss for financial year of 2025, the comparability of the amounts reported in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the financial year of 2026; and (ii) there will be no continuing financial impact on the closing balances as at 31 December 2025, as the remaining portion of the said loans to an associate after set-off was fully impaired during financial year of 2024. The qualification still exists due to the comparability of the amounts reported in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for financial year of 2026.

Management's position, view and assessment on the Disclaimer of Opinion

In preparing the consolidated financial statements of the Company for the year ended 31 December 2024 on a going concern basis, the management of the Company has taken into account the following factors:

- (i) the recorded overall revenue in the financial years of 2022, 2023 and 2024 of approximately HK\$144.6 million, HK\$207.5 million and HK\$124.5 million respectively;
- (ii) the due consideration of the Group's profit and cash flow forecast, its internal resources, available financial facilities and financial position, and the continuous financial support for the operations of the Group provided by Mr. Zhang Ming Qi, an executive Director, to the Group via a financial facility of HK\$50,000,000; and
- (iii) the sufficient working capital to finance the Group's operations and meet its requirements and financial obligations as and when they fall due for at least the next 18 months from the date of the Company's announcement dated 28 November 2025.

In light of the above, the management of the Company is of the view that the Group has a viable and sustainable business with a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the shares of the Company on the Stock Exchange.

Audit Committee's position, view and assessment on the Disclaimer of Opinion

The audit committee of the Company ("**Audit Committee**") had reviewed the disclaimer of opinion, the management's position concerning the disclaimer of opinion and measures taken by the Company for addressing the disclaimer of opinion. The Audit Committee agreed with the Board's position based on the reasons aforementioned. The Audit Committee had also discussed with HLB regarding the financial position of the Company, measures taken and to be taken by the Company, and considered the HLB's rationale and understood their consideration in arriving at their opinion. Moreover, the Audit Committee had assessed the plans and measures taken by the management to address the uncertainties regarding going concern underlying the disclaimer of opinion in which HLB's opinion is not modified with respect to going concern, the Audit Committee was satisfied that the abovementioned action plan may address the disclaimer of opinion and such that the consolidated financial statements for the year ending 31 December 2027 will be free from disclaimer of opinion.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended	
		30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Revenue	3	42,118	72,309
Cost of sales		(7,285)	(16,912)
Gross profit		34,833	55,397
Other income		8,437	2,463
Other gain and loss	5	34,675	(5,539)
Selling and distribution costs		(18,714)	(24,838)
Administrative expenses		(37,303)	(31,389)
Finance costs		(1,332)	(1,224)
Profit/(loss) before taxation	6	20,596	(5,130)
Taxation	7	—	—
Profit/(loss) for the period		20,596	(5,130)
Other comprehensive income/(expense)			
Item that may be subsequently reclassified to profit or loss:			
Release of translation reserve upon deconsolidation or disposal of foreign subsidiaries		(3,348)	1,448
Total comprehensive income/(expense) for the period		17,248	(3,682)
Profit/(loss) for the period attributable to:			
Owners of the Company		20,596	(5,130)
Non-controlling interests		—	—
		20,596	(5,130)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		17,248	(3,682)
Non-controlling interests		—	—
		17,248	(3,682)
Earning/(loss) per share — basic and diluted (HK\$)	9	0.08	(0.02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30.6.2025 HK\$'000 (unaudited)	At 31.12.2024 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		9,557	12,580
Investment properties		2,100	2,100
Loans to an associate		521	—
Deferred tax assets		2,544	3,497
Deposits and prepayment for a life insurance policy		1,940	1,937
Rental deposits and prepayment		2,513	2,920
		19,175	23,034
Current assets			
Inventories		11,529	10,771
Trade and other receivables	10	40,342	23,805
Loans to an associate		29,325	29,325
Pledged time deposits		—	22,098
Bank balances and cash		22,398	22,999
		103,594	108,998
Assets classified as held for sale		—	3,156
		103,594	112,154
Current liabilities			
Trade and other payables	11	131,071	125,727
Contract liabilities		71	71
Amounts due to related companies		3,682	3,851
Loan from a related company		—	—
Lease liabilities		12,141	13,542
Amount due to a director		21,534	—
Other borrowing — due within one year		—	15,000
Tax payable		—	—
		168,499	158,191
Liabilities classified as held for sale		—	24,711
		168,499	182,902
Net current liabilities		(64,905)	(70,748)
Total assets less current liabilities		(45,730)	(47,714)

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	At 30.6.2025 HK\$'000 (unaudited)	At 31.12.2024 HK\$'000 (audited)
Non-current liabilities		
Employee benefit obligations	1,097	1,097
Lease liabilities	1,869	7,368
	2,966	8,465
Net liabilities	(48,696)	(56,179)
Capital and reserves		
Share capital	2,428	2,428
Reserves	(51,301)	(66,877)
Equity attributable to owners of the Company	(48,873)	(64,449)
Non-controlling interests	177	8,270
Total equity	(48,696)	(56,179)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Special reserve	Legal reserve	Other reserve	Property revaluation reserve	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2025 (audited)	2,428	221,340	15,800	12	1,672	1,935	1,515	(309,151)	(64,449)	8,270	(56,179)
Loss for the period	—	—	—	—	—	—	—	20,596	20,596	—	20,596
Exchanges difference on translation from disposal of foreign subsidiaries and functional currency to presentation currency	—	—	—	—	(1,672)	—	(3,348)	—	(5,020)	(8,093)	(13,113)
Total comprehensive income/(expense) for the period	—	—	—	—	(1,672)	—	(3,348)	20,596	15,576	(8,093)	7,483
At 30 June 2025 (unaudited)	2,428	221,340	15,800	12	—	1,935	(1,833)	(288,555)	(48,873)	177	(48,696)
At 1 January 2024 (audited)	2,428	221,340	15,800	12	1,672	1,935	67	(241,533)	1,721	(17,893)	(16,172)
Profit/(loss) for the period	—	—	—	—	—	—	—	(5,130)	(5,130)	—	(5,130)
Released of translation reserve upon deconsolidation of foreign subsidiaries	—	—	—	—	—	—	1,448	—	1,448	26,163	27,611
Total comprehensive income/(expense) for the period	—	—	—	—	—	—	1,448	(5,130)	(3,682)	26,163	22,481
At 30 June 2024 (unaudited)	2,428	221,340	15,800	12	1,672	1,935	1,515	(246,663)	(1,961)	8,270	6,309

Notes:

- The special reserve of the Group represents the difference between the nominal amount of the share capital and share premium of Kong Tai Sundry Goods Company Limited ("**Kong Tai Sundry Goods**") and Grand Asian Limited, subsidiaries of the Company, and the nominal amount of share capital of the Company pursuant to a group reorganisation.
- As stipulated by the relevant laws and regulations in the Macau Special Administrative Region of the People's Republic of China ("**Macau**"), a subsidiary of the Company is required to set aside 25% of its profit for the period to a legal reserve until the legal reserve has reached 50% of its registered capital.
- The other reserve of the Group represents the deemed capital contribution arising from interest-free loans from a related company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended	
	30.06.2025 HK\$'000 (unaudited)	30.06.2024 HK\$'000 (unaudited)
Net cash (used in)/generated from operating activities	(14,109)	4,744
Investing activities		
Interest received	331	915
Withdrawal/(placement) of time deposits over three months	22,098	—
Advance to associates	—	—
Repayment from related companies	(169)	(2,586)
Purchase of property, plant and equipment	—	—
Proceeds on disposals of property, plant and equipment	—	—
Net cash generated from/(used in) investing activities	22,260	(1,671)
Financing activities		
Repayment of lease liabilities	(7,490)	(4,273)
Interest paid	(1,262)	(728)
Net cash used in financing activities	(8,752)	(5,001)
Net decrease in cash and cash equivalents	(601)	(1,928)
Cash and cash equivalents at beginning of the period	22,999	40,002
Effect of foreign exchange rate changes	—	—
Cash and cash equivalents at end of the period, representing bank balances and cash	22,398	38,074

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance (Cap. 622, Laws of Hong Kong).

On 7 September 2023, Mr. Yang Jun (“**Mr. Yang**”) retired as executive Director with effect from the conclusion of the annual general meeting (the “**2022 AGM**”) held on the same date as the resolution regarding his re-election was being voted down at the 2022 AGM. He was the responsible director of certain subsidiaries, namely, Shang Ying International Trade Holdings Limited, Shang Ying Development Limited, Shang Ying Internet Micro-credit Co., Limited, Shang Ying Commerce and Trade Holding Co., Ltd, 商贏醫院管理(上海)有限公司, 上海家庭力量文化傳播有限公司, 家庭力量(上海)健康管理有限公司, 上海禾恩醫院有限公司, 商贏互聯網醫療(上海)有限公司, 上海慈醫尚曜生物科技有限公司, 上海同舟共濟互聯網醫院有限公司, 恒贏商貿(上海)有限公司, 上海茂富管理諮詢有限公司 and 上海商贏互聯網醫院有限公司 (collectively referred to as the “**Shang Ying International Group**”), Shang Ying New Retail Group Holdings Ltd, Shang Ying Retail Plus Holdings Ltd, Shang Ying New Retail Ltd, Shang Ying Brand Management Co., Ltd, Sixth Avenue Plus Pty Ltd, 第六大道健康科技(上海)有限公司, Shang Ying Health Holding Limited, Sun Medical and Technology Investment Holdings Co., Limited and certain associates, namely, Century Health Holdings Co., Limited, Dermaco Pty Ltd., Pharma Science Australia Pty. Ltd. and Century Health Brands Pty Ltd (collectively referred to as the “**Shang Ying Retail Group**”).

Following the retirement of Mr. Yang, the then existing Directors (the “**Existing Directors**”) were unable to locate certain books, records and corresponding supporting documents of Shang Ying International Group and Shang Ying Retail Group (the “**Lost Records**”).

In view of the Lost Records, for the purposes of the preparation of the Group’s consolidated financial statements for the six months ended 30 June 2025, the Directors have determined to consolidate the Shang Ying International Group and the Shang Ying Retail Group using the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months’ period ended 30 June 2023 that were included in the consolidated assets, liabilities, results and cash flows of the Group presented in the condensed consolidated financial statements financial position as at and for the six months’ period ended 30 June 2023.

The Existing Directors have failed to obtain books and records by making repeated attempts to Mr. Yang, who was responsible for maintaining proper books and records for the Group. As of the approval date of these consolidated financial statements, the Directors were unable to locate the Lost Records.

The Group entered into a sale and purchase agreement to dispose of its financial services business which was carried out by Shang Ying Capital Limited and its subsidiaries (collectively, the “**Shang Ying Capital Group**”) in September 2025 (the “**Disposal**”).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION (Continued)

The books and records of the Shang Ying Capital Group available to the Group at the material time which were retained by the Group were not found to be of a sufficient level for audit purposes. Despite the Directors having taken all reasonable steps and having used their best endeavours to resolve the matter, including making repeated requests to Shang Ying Capital Group, the Company has been unable to access to the complete set of books and records of these subsidiaries and is unable to determine whether the records retained by the Group upon Disposal was updated and complete.

In view of the Disposal, for the purposes of the preparation of the Group's condensed consolidated financial statements for the six months ended 30 June 2025, the Directors have determined to consolidate the Shang Ying Capital Group using the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months ended 30 June 2024 that were included in the consolidated assets, liabilities, results and cash flows of the Group presented in the condensed consolidated financial statements financial position as at and for the six months ended 30 June 2024.

The Shanghai Third Intermediate People's Court issued a civil ruling on 29 April 2024, with reference number "(2024) Hu 03 Po 396," accepting the applicant's request for the bankruptcy liquidation of Shangying Internet Medical (Shanghai) Co. Limited* 商贏互聯網醫療(上海)有限公司 ("Shangying Medical"). Subsequently, on 6 May 2024, a decision was made with the same reference number appointing PricewaterhouseCoopers (PwC) as the bankruptcy administrator for Shangying Medical. As of the date of approval of the consolidated financial statements, Shangying Medical remains in the bankruptcy examination stage. As per Article 25(1) of the Enterprise Bankruptcy Law, the administrator is tasked with various responsibilities including taking over the debtor's assets, conducting financial investigations, managing daily expenses, and representing the debtor in legal proceedings. Consequently, following the appointment of the bankruptcy administrator, Shangying Medical's management rights concerning company assets, financial records, internal affairs, expenses, and asset disposal have been transferred to the administrator, causing all shareholders to forfeit their control over the company's assets and operations as per the regulations outlined in Enterprise Accounting Standard No. 33 — Consolidated Financial Statements (revised in 2014), Article 7.

Based on the above, the management of the Company determined that the effective date of loss of control over Shangying Medical is 6 May 2024. The management will apply deconsolidation of Shangying Medical with effect from the same date.

The Group incurred a net profit of approximately HK\$20,596,000 (2024: net loss of approximately HK\$5,130,000) during the Reporting Period, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$64,905,000 (31 December 2024: HK\$70,748,000) and total liabilities exceeded its total assets by approximately HK\$48,696,000 (31 December 2024: approximately HK\$56,179,000).

The Directors have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of twelve months from the date of approval for issue of these consolidated financial statements. They are of the opinion that, taking into account the continuous support by a Director, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from date of approval for issue of these consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION (Continued)

The validity of the use of the going concern basis for the preparation of the consolidated financial statements is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when they fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. The Directors are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(a) Financial support from a Director

Mr. Zhang Ming Qi ("**Mr. Zhang**"), the non-executive Director, has agreed to provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of approval for issue of these consolidated financial statements, with a financial facility amounted to HK\$50,000,000 available to the Group.

(b) Excluding the liabilities of Shang Ying International Group and Shang Ying Retail Group

Shang Ying International Group and Shang Ying Group has been disposed of. Consequently, there is no anticipated cash outflow concerning the liabilities of Shang Ying International Group and Shang Ying Retail Group that were included in the consolidated liabilities of the Group as at 30 June 2025.

However, the outcome of the above-mentioned management's plans to deal with the condition that cast significant doubt on the Group's ability to continue as a going concern cannot be ascertained with certainty. Hence, there exists material uncertainty about the ability of the Group to continue its operations for the foreseeable future as a going concern. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of amendments to HKFRSs and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. OPERATING SEGMENT

Information reported to the Directors, being the chief operating decision makers (the “**CODM**”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are as follows:

1. Trading of footwear products
2. Trading of healthcare products
3. Financial services
4. Online medical services

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

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

For the six months ended 30 June 2025 (unaudited)

	Trading of footwear products HK\$'000	Trading of healthcare products HK\$'000	Financial services HK\$'000	Online medical services HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue							
External sales	42,118	—	—	—	42,118	—	42,118
Segment results	(11,886)	—	—	—	(11,886)	—	(11,886)
Unallocated income							35,263
Unallocated expenses							(2,781)
Profit before taxation							20,596

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. OPERATING SEGMENT (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2024 (unaudited)

	Trading of footwear products HK\$'000	Trading of healthcare products HK\$'000	Financial services HK\$'000	Online medical services HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue							
External sales	72,309	—	—	—	72,309	—	72,309
Segment results	2,428	—	—	—	2,428	—	2,428
Unallocated income							584
Unallocated expenses							(8,142)
Loss before taxation							(5,130)

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the respective group entities' operations:

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong	37,548	64,592
Australia	—	—
Macau	4,570	7,717
Mainland China	—	—
	42,118	72,309

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss resulted from each segment without allocation of central administration costs and rental income. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. OTHER GAIN AND LOSS

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Net exchange gain	7	7
Loss on deconsolidation of subsidiaries	—	(5,554)
Gain on disposal of subsidiaries (Note 1)	34,668	—
Gain on disposal of property, plant and equipment	—	8
	34,675	(5,539)

Note 1: For detail, please refer to note 1 to the consolidated financial statements set out in this report and note 3 to the consolidated financial statements set out in the Company's announcement of annual results for the year ended 31 December 2024 both dated 26 September 2025.

6. PROFIT/(LOSS) BEFORE TAXATION

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Profit/(loss) before taxation has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	5,224	8,033
Premium charges on a life insurance policy	15	15
Staff costs, including directors' emoluments	27,558	21,608
Reversal of allowance for inventories, included in cost of sales	(4,041)	(10,520)
Cost of inventories recognised as expenses (including reversal of allowance for inventories, net)	7,285	16,912

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. TAXATION

	Six months ended	
	30.6.2025 HK\$'000 (unaudited)	30.6.2024 HK\$'000 (unaudited)
Current tax		
Hong Kong Profits Tax	—	—
Macau Complementary Tax	—	—
Deferred taxation	—	—
	—	—

The Company, which was incorporated in the Cayman Islands, together with those group entities incorporated in the British Virgin Islands, have no assessable profits for both periods.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 as the Group has sufficient tax losses brought forward available to offset the current year estimated assessable profits (2024: Nil).

Macau Complementary Tax is calculated at the rate of 12% (six months ended 30 June 2024: 12%) on the estimated assessable profit exceeding MOP600,000 for the period.

Under the applicable corporate tax law in Australia, income tax is charged at 30% of the estimated assessable profit. No provision for Australian income tax has been made in the condensed consolidated financial statements as the subsidiary operating in Australia has no assessable profits for both periods.

Taiwan income tax is calculated at 17% (six months ended 30 June 2024: 17%) on the estimated assessable profit of a branch of Kong Tai Sundry Goods Company Limited in Taiwan for the period. No provision for Taiwan income tax has been made in the condensed consolidated financial statements as the branch operating in Taiwan has no assessable profits for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. TAXATION (Continued)

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (six months ended 30 June 2024: 25%). No provision for PRC Enterprise Income Tax has been made in the condensed consolidated financial statements as the subsidiaries operating in the PRC have no assessable profits for both periods.

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2024: nil). The Directors have determined that no dividends will be paid in respect of the interim period.

9. EARNING/(LOSS) PER SHARE

The calculation of the basic and diluted earning per share for the six months ended 30 June 2025 is based on the profit for the period attributable to owners of the Company of approximately HK\$20,596,000 (six months ended 30 June 2024: loss for the period attributable to owners of the Company of approximately HK\$5,130,000) and the weighted average number of 242,845,000 (six months ended 30 June 2024: 242,845,000) ordinary shares for the purpose of basic and diluted earning per share during the period.

10. TRADE AND OTHER RECEIVABLES

Retail sales of footwear products are made at retail shops and concession counters in department stores. The department stores collect payments from the ultimate customers and then repay the balance after deducting the concessionaire commission to the Group. The credit periods granted to the department stores range from 30 to 60 days. Sales made at retail shops are settled by cash or credit cards. For wholesale of footwear products, trading of healthcare products and provision of financial services, the Group allows a credit period ranging from 30 to 90 days to its trade customers. The following is an aging analysis of trade receivables presented based on the invoice date at the end of each reporting period:

	At 30.6.2025 HK\$'000 (unaudited)	At 31.12.2024 HK\$'000 (audited)
Within 30 days	3,296	4,122
31 to 60 days	765	337
61 to 90 days	352	85
Over 90 days	4	—
	4,417	4,544

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

11. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables based on invoice date at the end of each reporting period:

	At 30.6.2025 HK\$'000 (unaudited)	At 31.12.2024 HK\$'000 (audited)
Within 30 days	1,247	2,398
31 to 60 days	1,807	32
61 to 90 days	495	—
Over 90 days	1,732	1,545
	5,281	3,975

The average credit period of trade payables is 30 days.

12. EVENTS AFTER THE REPORTING PERIOD

a. Disposal of Shang Ying Retail Group

On 11 September 2025, the Group has entered into a sale and purchase agreement with an independent third party for the disposal of Shang Ying Retail Group, subsidiaries of the Group. The disposal has been completed as of the date of approval for issue of these consolidated financial statements.

b. Disposal of Shang Ying Capital Group

On 11 September 2025, the Group has entered into a sale and purchase agreement with an independent third party for the disposal of Shang Ying Capital Group. The disposal has been completed as of the date of approval for issue of these consolidated financial statements.

GENERAL INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the interests of the Directors and chief executive in the shares, underlying shares or debentures of the Company and/or its associated corporations, which were required, pursuant to Section 352 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO"), to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long position in the issued shares of the Company

Name of Director	Nature of interests	Number of the Company's shares interested	Approximate percentage of the Company's issued share capital*
Mr. Chu Chun Ho, Dominic	Person having a security interest in shares (Note)	22,000,000	9.06%

Note:

Mr. Chu Chun Ho, Dominic and Mr. Chong Hot Hoi (a former Director) were jointly having security interest in these shares of the Company.

* The percentage represents the number of the Company's shares interested divided by the number of the Company's issued shares as at 30 June 2025 (i.e. 242,845,000 shares).


Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the following persons (other than the Directors or chief executive of the Company) had interests in the issued shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the issued shares of the Company

Name of shareholder	Nature of interests	Notes	Number of the Company's shares interested	Approximate percentage of the Company's issued share capital*
Shang Ying Financial Holding Co., Limited ("Shang Ying Financial")	Beneficial owner	1	149,993,617	61.77%
Mr. Yang Jun	Interest hold by controlled corporations	1	149,993,617	61.77%
SIGMA INTERNATIONAL HOLDING LIMITED	Person having a security interest in shares	2	123,993,617	51.06%
Mr. Chong Hot Hoi	Person having a security interest in shares	3	22,000,000	9.06%
Mr. Liu Shaolin	Beneficial owner	4	14,848,000	6.94%
Ms. Li Yun	Interest held by spouse	4	14,848,000	6.94%



General Information

Notes:

- (1) The shares held by Shang Ying Financial (currently known as Starting Line Health Group Holdings Limited) which in turn was wholly owned by Mr. Yang Jun. Accordingly, Mr. Yang Jun was deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
- (2) These shares held by Shang Ying Financial were, following assignment from Great Wall International Investment X Limited, pledged to SIGMA INTERNATIONAL HOLDING LIMITED ("**SIGMA**"). Accordingly, SIGMA was deemed to be interested in these shares of the Company pursuant to Part XV of the SFO.
- (3) The interest of Mr. Chong Hot Hoi was held jointly with Mr. Chu Chun Ho, Dominic appearing in the above section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares".
- (4) These 14,848,000 shares were held by Mr. Liu Shaolin, the spouse of Ms. Li Yun. Accordingly, Ms. Li Yun was deemed to be interested in these shares pursuant to the SFO.

* The percentage represents the number of the Company's shares interested divided by the number of the Company's issued shares as at 30 June 2025 (i.e. 242,845,000 shares).

Save as disclosed above, as at 30 June 2025, no person, other than the Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had an interest or a short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Update on Director's Information

During the six months ended 30 June 2025, there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Share Option Scheme

The Group has no share option scheme during the six months ended 30 June 2025.

Appreciation

The Board would like to thank the management of the Group and all our staff for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditors for their support to the Group.