



**Convenience Retail Asia Limited**  
**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
Stock Code: 00831

**INTERIM**  
**REPORT 2025**



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# Corporate Information

## Executive Directors

Terence FUNG Yue Ming <sup>#</sup> (*Vice Chairman*)  
Michael TANG Tsz Kin (*Chief Executive Officer*)

## Non-executive Directors

William FUNG Kwok Lun <sup>#+</sup> (*Chairman*)  
Richard YEUNG Lap Bun  
Sabrina FUNG Wing Yee  
Tiffany Daisy LEE Pei Ming

## Independent Non-executive Directors

Anthony LO Kai Yiu <sup>\*\*</sup>  
Sarah Mary LIAO Sau Tung <sup>+++</sup>  
Terrence TSANG Diao-Long <sup>+++</sup>

## Group Chief Compliance and Risk Management Officer

Jason YEUNG Chi Wai

## Company Secretary

CHAN Chor Fai  
(*To be changed to:*  
*CHU Wai Ling*  
*with effect from 15 August 2025*)

## Registered Office

P.O. Box 31119 Grand Pavilion  
Hibiscus Way, 802 West Bay Road  
Grand Cayman  
KY1-1205  
Cayman Islands

## Head Office and Principal Place of Business

15th Floor, LiFung Centre  
2 On Ping Street  
Siu Lek Yuen  
Shatin  
New Territories  
Hong Kong

## Website

[www.cr-asia.com](http://www.cr-asia.com)

## Legal Advisers

Johnson Stokes & Master  
(as to Hong Kong Law)

Conyers Dill & Pearman, Cayman  
(as to Cayman Islands Law)

<sup>#</sup> *Nomination Committee members*

<sup>+</sup> *Remuneration Committee members*

<sup>\*</sup> *Audit Committee members*

<b>Auditor</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>
<b>Principal Share Registrar and Transfer Office</b>	Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman KY1-1205 Cayman Islands
<b>Hong Kong Branch Share Registrar and Transfer Office</b>	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
<b>Principal Bankers</b>	The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited
<b>Stock Code</b>	00831

# Highlights

## Financial Highlights

	Change	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Revenue	-4.6%	<b>688,139</b>	721,654
Core operating profit	+17.3%	<b>20,425</b>	17,419
Core operating profit (included interest expenses on lease liabilities)	+27.7%	<b>17,365</b>	13,598
Profit attributable to shareholders of the Company	+18.0%	<b>15,060</b>	12,767
Basic earnings per share (HK cents)	+18.8%	<b>1.9</b>	1.6
Interim dividend per share (HK cent(s))	-50.0%	<b>1.0</b>	2.0

## Operation Highlights

- The Group reported a 4.6% drop in revenue due to a persistently challenging operating environment
- Stringent cost controls offset pressure on sales and gross margin declines resulting in improved profitability
- Local retail markets to remain challenging in 2H, though closures of certain competitors present opportunities for the Group to seize more market share
- The Group continues to maintain a healthy financial position in 1H25 with net cash of HK\$167 million and no bank borrowings

## Number of Stores

	30 June 2025	31 December 2024
<b>Saint Honore Cake Shops</b>		
Hong Kong	110	111
Macau	14	14
Guangzhou	3	4
<b>Subtotal</b>	<b>127</b>	129
<b>Pâtisserie Mon cher</b>		
Hong Kong	7	7
<b>Total number of Stores under Bakery Group</b>	<b>134</b>	136
<b>Zoff Eyewear Stores</b>		
Hong Kong	16	16
Singapore	5	5
<b>Subtotal</b>	<b>21</b>	21
<b>Total number of Stores under Convenience Retail Asia</b>	<b>155</b>	157

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# Chairman's Statement

Over the first half of 2025, the Group's retail markets continued to face adversity from changing travel and purchasing patterns, macroeconomic and geopolitical uncertainties, and inflationary concerns. Despite this, we were able to keep pace with and even outperform the industry in our core segments, demonstrating leadership in product innovation, customer service and digital marketing. At the same time, we strove to ensure shareholder value by streamlining our operations from the factory to the storefront, prioritising the development and sale of higher-margin products, and seeking to offset rental and labour costs through network and staffing optimisation. The period under review also saw the Group make a significant strategic change by pushing its fast-growing B2B bakery business in the face of slowing B2C business.

## Local Retail Sales Remain Soft

During the first six months of the year, the post-pandemic "new normal" – a phenomenon characterised by generally low consumer sentiment, more cross-boundary trips being taken on weekends by cost-conscious local residents and changing spending patterns among Mainland Chinese visitors – continued to impact the Hong Kong retail market, where sales fell 3.3% by value and 4.7% by volume not compared to the same period in 2024. The bread, pastry, confectionery and biscuit segment dropped by 13.7% and 16.4%<sup>note</sup>, respectively, demonstrating the difficulties faced by operators. But the resilience and strong brand loyalty of Saint Honore managed to contain a drop in same-store sales and protect its market share. Elsewhere, Zoff boosted its year-on-year revenue despite value and volume decreases of 2.5% and 2.9%<sup>note</sup> in the local optical shop market. There was a glimmer of good news in May 2025 as Hong Kong's overall retail sales posted a slight increase, the first in 14 months. However, this was attributed at least in part to the low base for comparison that was set in May 2024 as well as increased visitors during the Labour Day holidays from Mainland China.

## Focused on the Future

The retail environment may be challenging once again, but there were some bright spots for the Group. We made headway in sales of higher-value items such as packaged bread and cakes as well as chilled products like sandwiches, salads and wraps, helping offset lower sales of celebratory cakes – a segment-wide issue since the pandemic – and underscoring our ability to pivot quickly and effectively to trending areas with potential for growth. We also continued to drive sales, repeat purchases and brand loyalty through our award-winning online-to-offline consumer relationship management platform Cake Easy, which now has more than 1.4 million members.

*Note: Published by the Census and Statistics Department, the Government of the Hong Kong Special Administrative Region on 31 July 2025*



Our Hong Kong franchise of Zoff, the popular Japanese fast-fashion eyewear chain, posted a modest rebound despite low consumer confidence and aggressive pricing competition from cross-boundary rivals. Zoff Hong Kong's results can be attributed to the brand's renowned unique design, superior product quality and professional service which are unquestionably advantages we seek to maintain and grow. Meanwhile, our new Zoff franchise in Singapore experienced similar macro challenges during the review period, which led a drop in comparable store sales.

In an operating environment beset by high rental, labour and material costs, the Group is continually seeking ways to operate more efficiently and protect its bottom line. So far this year, we have continued to review store performance, rationalise our network where necessary and only open new outlets when we are able to identify high-potential locations at reasonable cost. Due to the tight labour market, we have sought various measures to reduce staffing cost and increase store sales per man-hour. We have also continued our efforts to find cost savings at all points along our supply chain.

## Outlook

The second half of the year finds the Group taking a cautiously optimistic view of its prospects given its respectable performance to date and the coming of the Mid-Autumn Festival and Christmas holiday periods, which are usually strong sales seasons. However, Hong Kong retail has not bottomed out yet, and operators need to stay vigilant. We will continue to monitor developments in the local and global economies closely while remaining pragmatic about further network expansion and examining areas where we can further optimise our cost efficiency.

In the years since the pandemic – a time of considerable economic uncertainty and volatility – we have taken great care to keep delivering high-quality products via convenient physical and online locations and with friendly customer service, all while striving to operate in a prudent, cost-conscious manner that safeguards our business, our healthy financial position and the interests of our shareholders. Our ability to maintain market share during this period is testament to the success of these efforts, and it stands out even more as Hong Kong's retail market environment struggles to emerge from the difficulties of the past several years. Our strong balance sheet and the possibility of further industry consolidation could lead to future opportunities for the Group. As always, we will be on the lookout for ways to expand our business either organically or by acquiring specialty brands that could complement our brand portfolio.

In closing, I would like to thank our Board, Group management, and our many colleagues across Hong Kong and throughout the region for everything they do to keep our organisation at the forefront of the industry, no matter the circumstances.

**William FUNG Kwok Lun**  
*Chairman*

Hong Kong, 14 August 2025



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# CEO's Statement

The Group delivered a reasonable performance over the first half of 2025, protecting its market share despite an overall decline in Hong Kong retail. The retail industry is still coping with higher outbound traffic on weekends by local residents, changing consumer behaviour among Mainland Chinese visitors, and generally unfavourable macroeconomic and geopolitical trends. Our bakery segment saw stable weekday business as well as growth in new product categories offsetting the effects of lighter weekend and holiday foot traffic. B2B business has experienced organic growth with existing customers and also the addition of new customers. At Zoff, we outperformed the optical segment by continuing to offer an unmatched product range supported by market-leading service standards. Overall, we remained focused on our core values of top-notch customer service, innovative products, people development as the core pillars that will continue to serve us well as we enter the second half of the year.

## Operations Review – Saint Honore Cake Shop

As at 30 June 2025, the Group was operating 127 Saint Honore stores in Hong Kong, Macau and Guangzhou compared to 148 at the same period last year. The Group opened one store and closed three during 1H25.

During the review period, total revenue across Hong Kong and Macau saw a mid-single-digit decline, reflecting generally soft consumer spending that was compounded by local residents' frequent travel to Mainland China for weekends and public holidays. The market also faced intensified price competition during 1H25 as retail operators aggressively target consumers' share of wallet. However, by maintaining stringent cost controls and promoting a wide range of new products, we were able to offset some of external competition resulting in an improved profitability on a year-on-year basis.

Daily bread sales at Saint Honore remained relatively stable supported by a number of successful new product offerings such as our European style sourdough range, brown sugar whole wheat bread and Walnut Mario bread. We also continued to expand into increasingly popular chilled categories including sandwiches, submarines, wraps and salads which serves as a key differentiation from our peers. Sales of celebratory cakes remained soft since the pandemic as people continue to host fewer group gatherings. To offset this, we launched a number of smaller cakes and signed joint promotion campaigns with popular character names such as Taimashing and Nailoong. We also introduced a number of chocolate-inspired cakes including Dubai chocolate, mint chocolate, popcorn caramel and hazelnut varieties.

To better connect with our customers, we continued to deploy resources in digital and social media. Partnering with platforms like Alipay and WeChat Pay with the aim to provide more methods of payment, but more importantly to connect with a new group of potential customers. We kept on to leverage Saint Honore's CRM program, Cake Easy, which provides members with news and promotional offers while also giving them a fast and simple way to shop for bakery products from their mobile device. During 1H25, we made a number of enhancements to Cake Easy and launched a series of "Grab Great Deals" campaigns for members. As at 30 June 2025, Cake Easy had over 1.4 million members in Hong Kong and Macau, including over 220,000 Gold members, a tier that is characterised by higher repurchase rates. With the valiant effort, Hong Kong Retail Management Association awarded Saint Honore with "O2O Customer Experience" and "Premium Quality Trusted E-Shop 2025" recognitions.

To protect operating margins in a difficult retail environment, we regularly reviewed Saint Honore's store network. We continue to exert effort to reduce our occupancy costs, exit lower-performing locations while at the same time, open new outlets as opportunities arise. With our existing portfolio, we continue to deploy resources to renovate our stores to provide a fresher look and better customer experience.

The B2B segment continues to grow due to the rising demand from key accounts seeking bespoke bakery solution. During 1H25, sales grew by double digits on the back of organic growth with existing customers and the addition of new customers. A key development in the first half of the year was finalising a long-term lease which allows us to relocate parts of our Hong Kong production to an upgraded facility in Tai Po. This strategic move represents an investment in our future, one that will greatly increase our production capacity and efficiency for chilled food. In advance to the coming Mid-Autumn Festival, we continued our preparations for the release of "Made in Hong Kong Mooncakes", which have already generated sales orders from existing customers as well as new ones. We also continued to explore OEM and ODM opportunities to supply frozen bakery products in the Greater Bay Area (GBA).

Social responsibility and sustainability remain cornerstones of the Group's operations. In March 2025, we once again participated in the World Wide Fund for Nature's Earth Hour initiative. The Group earned the "Diamond Award" in the Environment and Ecology Bureau's "Charter on External Lighting Campaign", which was implemented to encourage businesses and individuals to switch off lighting installations that could impact the nighttime outdoor environment. During the review period, we also expanded the scope of our partnership with Yindii app to redistribute unsold products to the community and donated over 150,000 bread and festive items to NGOs including Foodlink, Breadline and the YMCA. During both Chinese New Year and Dragon Boat Festival, we donated CNY pudding cakes and rice dumplings to underprivileged communities across Hong Kong.

## Operations Review – Mon cher and Merci Moncher

At Mon cher, we launched a series of new products targeting new customers resulting in a steady comparable store sales despite the structural change in celebration cake consumption. Beyond the brand's signature Dojima cream rolls, we have launched trendy new products like mint chocolate rolls and mochi desserts. Our recent collaboration with NOC, a popular local coffee cafe, was very successful in building brand awareness and new customer acquisition.

In December last year, we introduced a new concept to the market called "Merci Moncher", a mid-market pâtisserie blending Japanese elements and French style bakery. The flagship store is located in the heart of Causeway Bay, one of the most popular destinations for tourists. We continue to refine the product offering and operating model as this new concept gains recognition in the market.

## Operations Review – Zoff

The Group's Hong Kong franchise of Zoff, Japan's leading fast-fashion eyewear chain, grew by a low single digit over the first half of the year. Leveraging the brand's growing recognition internationally and a wide selection of new product offering, we surpassed the overall Hong Kong optical segment that contracted during the review period. As at 30 June 2025, the Group maintained 16 stores in high-traffic locations across Hong Kong as well as 5 stores in Singapore.

Zoff's selection of over 1,400 SKUs remains unparalleled in Hong Kong, and its product line is constantly updated to reflect changing style trends and new technologies. In May 2025, we rolled out a marketing campaign to promote our eye examination services using the most advanced optical equipment. During the review period, we also launched an online and in-store campaign highlighting our "intraocular pressure measurement service" – a test that can aid in the treatment of glaucoma and a key differentiator from other major Japanese competitors. We also collaborated with leading local businesses including HSBC, Toys"R"us and MTR to expand our customer reach and boost brand awareness. Notable product launches in the first half of the year included new additions to the popular "Made in Japan" range as well as collaborations with IP characters, fashion brands and KOLs. In the second quarter, we held marketing campaigns promoting HOYA MiYOSMART lenses, a leading solution for correcting and slowing the progression of myopia in children. We also added healthcare voucher payment collection method to all stores, which has provided added convenience for our silver hair customers.

Our newly acquired franchise operations in Singapore faced a variety of challenges during 1H25 as comparable store sales declined by a mid-single digit. Primary factors were price sensitivity among local shoppers and the growing popularity to travel to Malaysia during weekends. As a result, Zoff Singapore sought to achieve cost savings where possible, streamlining its marketing activities and reducing operational costs by more than 10% compared to 1H24. The Group also integrated more activities of Zoff Hong Kong and Singapore teams for added efficiencies.

## Future Prospects

The Group is prudently optimistic about second-half revenue growth. Our improved performance to date in 1H25, the coming Mid-Autumn Festival and Christmas holidays are reasons to be optimistic. But we are still taking a cautious approach given the persistent challenges of the retail market. The first six months of the year did see the closures of many food and beverage operators, presenting opportunities for industry consolidation.

In our retail bakery business, our primary goal is to protect and build our market share in core categories and patiently expanding our store network. One of our key focus areas is extending our range with value-added items to give customers more reasons to increase their basket size. We are also committed to enhancing the brand positioning of Saint Honore and Mon cher through new store formats, carrying out targeted digital marketing and launching attractive promotions to be delivered via our Cake Easy app. To protect operating margin and shareholder value, we will look for measures to optimize store operating costs and supply chain related expenses.

Our B2B business is a strategic pillar of the group. To meet the industry's growing demand, we are investing substantially in both people and production facilities. This will serve to enhance our capacity and profitability in the long run, allowing us to further penetrate into Mainland China via online and offline channels.

In Zoff, we continue to look for opportunities to expand our retail footprint in Hong Kong while taking a more prudent approach in Singapore. Focusing on enhancing shop experience, we will continue to add more equipment to expand the scope of our eye examination services. This will be particularly important as we aim to target the preteens and silver hair community. We are also working closely with our partner in Japan to bring a wider selection of Made in Japan products making fashionable eyewear more accessible in both Hong Kong and Singapore.

Overall, the Group remains fully dedicated to its mission of being a leading specialty retailer in the region. Despite difficult macro headwinds and a highly competitive environment, I believe our ability to be agile will allow us to navigate through these difficult conditions. With our healthy financial position, we will continue to look for investment opportunities to expand our market share in Hong Kong.

**Michael TANG Tsz Kin**

*Chief Executive Officer*

Hong Kong, 14 August 2025

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# Discussion and Analysis

## Financial Review

During the first six months of 2025, the Group's turnover decreased by 4.6% to HK\$688 million. Turnover for the bakery business decreased by 5.2% to HK\$615 million. Bakery retail sales was affected by stores closure in Hong Kong and Guangzhou in second half of 2024, as well as the continued outbound travel of local consumer. B2B continued its growth momentum as new and prominent customers were acquired during the period. Sales of festive products were on par with 2024 despite the challenging business environment. Turnover for the Zoff eyewear business maintained at HK\$73 million, representing a soft increase of 0.3%. Comparable store in Hong Kong Zoff reported mild growth during the period, while same store sales for Singapore Zoff were still reporting a drop.

Gross margin as a percentage of turnover decreased by 2.0 percentage points to 51.7%. During the review period, different promotions were offered to retail customers with the aim of increasing store traffic. The growing proportion of our B2B revenue, which has a generally lower margin than retail, also affected the overall margin percentage.

Operating expenses as a percentage of turnover decreased from 51.7% to 49.2%. Stringent cost control measures were implemented to lower our operating expenses in view of the current retail environment. Store renewals were tightly controlled together with lease negotiation with landlords. Store opening hours as well as duty roster were adjusted to enhance productivity in the frontline. Outsourced service contracts were reviewed to identify cost saving opportunities. All these measures together enabled the reduction of selling, distribution and administrative expenses during the review period.

Core operating profit before interest expenses on lease liabilities increased by 17.3% to HK\$20 million. Including interest expenses on lease liabilities, core operating profit increased by 27.7% to HK\$17 million. Net profit increased by 18.0%, from HK\$13 million to HK\$15 million. Basic earnings per share increased by 18.8% to 1.9 HK cents from 1.6 HK cents.

As at 30 June 2025, the Group had a net cash balance of HK\$167 million, generated mainly from daily business operations. The Group had no bank borrowings. Most of the Group's cash and bank deposits were in its operating currencies and deposited with major banks in Hong Kong, Mainland China and Singapore. The majority of the Group's assets, liabilities, revenues and payments were held in either Hong Kong dollars, Singapore dollars, renminbi or Japanese yen. The Group had foreign exchange exposure as the Group's trade suppliers transact in renminbi and Japanese yen. The Group is subject to interest rate risks on the interest income earned from bank deposits. The Group will place surplus cash in term deposits denominated in its operating currencies and United States dollars, with appropriate maturity periods to meet the operating requirements and capital expenditure requirements in the future. The Group has standby banking facilities of HK\$88 million in support of treasury planning and management.

The Board of Directors has resolved to declare an interim dividend of 1 HK cent per share.

## Employees

As at 30 June 2025, the Group had a total of 2,704 employees, with 1,459, or 54%, based in Hong Kong and 1,245, or 46%, based in Macau, Guangzhou, Shenzhen and Singapore. Part-time staff accounted for 23% of total headcount. Total staff cost for the six months ended 30 June 2025 was HK\$245 million compared with the HK\$257 million recorded over the same period last year.

The Group offers competitive remuneration schemes for eligible employees, including salary packages supplemented by discretionary bonuses and share options based on individual and company performance. It also creates opportunities for staff to further their careers by providing comprehensive job-related skill enhancement programmes and customer service training for frontline staff. Saint Honore has once again been named a “Super MD” in the Employees Retraining Board Manpower Developer Award Scheme for the years 2025–2030 for outstanding achievements in manpower training and development.

In a tight labour market, employee satisfaction and retention are critical. Each year, the Social Team coordinates a variety of initiatives under the HEARTS (Happy, Energised, Achievements, Respect, Training and Success) employee engagement programme to help colleagues succeed professionally and foster staff camaraderie. These include career development programmes, events that promote work-life balance, and social activities. Over the first half of 2025, the Group and its staff organised and/or participated in food donation drives, outreach engagements for the elderly, recycling and food waste reduction programmes, carbon reduction initiatives, and more.

## Sustainability and Corporate Social Responsibility

As a member of the Fung Group, the Group adheres to the United Nations Global Compact on human rights, labour, anti-corruption efforts, environmental protection and sustainability. The Group is also committed to achieving sustainability in its operations wherever possible, striving to protect the environment, conserve natural resources and save costs through the “three Rs” of reducing, reusing and recycling. It also uses energy-efficient equipment and low-carbon fuels to minimise its carbon footprint.

Saint Honore proudly received the “15 Years Plus Caring Company Logo” from the Hong Kong Council of Social Service while Zoff Hong Kong was awarded with the “5 Years Plus Caring Company Logo”, reflecting the Group’s commitment to the community. Further information about the Group’s environmental, social and governance policies and performance will be provided in a separate report on the Group’s website.

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# Corporate Governance

The Board and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

The Company has been in full compliance with all of the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the six months ended 30 June 2025. Corporate governance structure and practices adopted by the Company during the six months under review were in line with those practices set out in the Company’s 2024 Annual Report, and were also consistent with the principles set out in the CG Code.

The Company has not early adopted the requirements of the amended CG Code which are mandatory for the listed companies with financial years commencing on or after 1 July 2025.

## Corporate Culture

The Group strives to develop a sustainable business with people-oriented culture that nurtures successes of our business units and employees. The Board is responsible for defining the purpose, values and strategic direction of the Group, whilst management oversights the nurturance of the culture and core values over its daily operations.

## The Board

The Board is responsible for setting the overall strategy of the Group and making decisions on major operational and financial matters as well as investments. It is structured to ensure it has a balance of skills, experience, knowledge, diversity and contributed valuable insights appropriate to the businesses and development of the Group. The Board is currently comprised of the Non-executive Chairman, the Executive Vice-chairman, three Non-executive Directors, three Independent Non-executive Directors and one Executive Director. The names of the Directors are set out in the Corporate Information section on page 2.

In order to enhance independence, accountability and responsibility, the roles of Chairman and Chief Executive Officer are held separately by Dr William FUNG Kwok Lun and Mr Michael TANG Tsz Kin. Their respective responsibilities are clearly established and defined by the Board in writing.

## Board Committees

The Board has established three Board committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, each of which has its own defined terms of reference (available on the Company’s corporate website). These terms of reference are in line with the CG Code.

All the committees comprise a majority of Independent Non-executive Directors to ensure independent views and input are available to the Board. Each of the Audit Committee and Remuneration Committee is chaired by an Independent Non-executive Director, and the Nomination Committee is chaired by the Non-executive Chairman. Such committees are provided with sufficient resources to discharge their duties and have access to independent professional advice if considered necessary at the Company’s expense.



## Audit Committee

<i>Chairman</i>	Anthony LO Kai Yiu *
<i>Members</i>	Sarah Mary LIAO Sau Tung *
	Terrence TSANG Diao-Long *

\* *Independent Non-executive Director*

The Audit Committee is primary responsible for reviewing the Group's financial reporting, risk management, internal controls and corporate governance matters, and making relevant recommendations to the Board. The committee includes members who possess appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules.

The Audit Committee has authority to investigate any activity within its terms of reference and has full access to and the cooperation of management. It has direct access to Corporate Governance Division ("CGD") and the external auditor, and full discretion to invite any management to attend its meetings.

The Audit Committee has reviewed with senior management the unaudited interim financial information for the six months ended 30 June 2025 before recommending it to the Board for approval.

## Remuneration Committee

<i>Chairman</i>	Sarah Mary LIAO Sau Tung *
<i>Members</i>	William FUNG Kwok Lun +
	Terrence TSANG Diao-Long *

\* *Independent Non-executive Director*

+ *Non-executive Director*

The Remuneration Committee is primarily responsible for:

- Making recommendations to the Board on the Company's policy and structure regarding remuneration for all Directors and senior management, including allocation of share options to employees under the Company's Share Option Scheme;
- Making recommendations to the Board on the remuneration packages of Executive Directors and senior management;
- Making recommendations to the Board on the remuneration of Non-executive Directors; and
- Reviewing the Group's remuneration and human resources policy.

## Nomination Committee

<i>Chairman</i>	William FUNG Kwok Lun <sup>+</sup>
<i>Members</i>	Anthony LO Kai Yiu <sup>*</sup>
	Sarah Mary LIAO Sau Tung <sup>*</sup>
	Terence FUNG Yue Ming <sup>#</sup>
	Terrence TSANG Diao-Long <sup>*</sup>

<sup>\*</sup> *Independent Non-executive Director*

<sup>+</sup> *Non-executive Director*

<sup>#</sup> *Executive Director*

The Nomination Committee is primary responsible for:

- Reviewing the structure, size and composition (including diversity) of the Board;
- Assessing the independence of Independent Non-executive Directors;
- Making recommendations to the Board on the appointment or re-appointment of Directors; and
- Reviewing and monitoring the training and continuous professional development of Directors and senior management.

## Directors' and Relevant Employees' Securities Transactions

The Group has adopted a Code for Securities Transactions by Directors and Relevant Employees (the "Securities Code") governing Directors' securities transactions on terms no less exacting than those of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Securities Code.

Specific confirmation of compliance has been obtained from each Director and relevant employee for the six months ended 30 June 2025. No incident of non-compliance by Directors and relevant employees was noted by the Company for the period under review.

## Compliance with Inside Information Requirements

The Company handles and disseminates inside information in accordance with the requirements of the Securities and Futures Ordinance and the Listing Rules.

## Risk Management and Internal Control

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness and adequacy with the assistance of the Audit Committee. The risk management and internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and provide reasonable but not absolute assurance against material misstatement, loss or fraud. The Audit Committee reports to the Board on any material issues and makes relevant recommendations.

The Board has delegated to management the design, implementation and ongoing monitoring of the risk management and internal control systems. Qualified personnel throughout the Group maintain and monitor these systems on an ongoing basis. The Group's risk management and internal control processes during the six months ended 30 June 2025 were in line with the practices set out in the Corporate Governance Report on pages 37 to 41 of the Company's 2024 Annual Report.

Based on the respective assessments made by CGD, the Audit Committee considered that for the six months ended 30 June 2025:

- The risk management and internal control systems, as well as accounting systems of the Group remained in place and were functioning effectively and adequately, and were designed to provide reasonable assurance that material assets were protected, business risks (including ESG risks) attributable to the Group were identified and monitored, material transactions were executed in accordance with the Group's policies under management's authorisation, and the financial statements were reliable for publication.
- There were ongoing processes for identifying, evaluating and managing the significant risks faced by the Group.

## Investor Relations and Communication

A Shareholders Communication Policy has been adopted by the Board, with the objective of ensuring that the shareholders are provided with information about the Group to enable them to exercise their rights in an informed manner, and to engage actively with the Group.

The Shareholders Communication Policy pursues promoting transparency in corporate communication and investor relations. Regular communication programmes include conducting analyst briefing in person and/or via email, participation in investor conferences, conducting road shows, arranging company visits and ad hoc meetings with institutional shareholders and analysts.

The Company maintains a corporate website ([www.cr-asia.com](http://www.cr-asia.com)) as one of the channels to promote effective corporate communication with the investors and the general public. The website is used to disseminate company announcements, shareholder information and other relevant financial and non-financial information in an electronic format on a timely basis.

# Other Information

## Interests and Short Positions of Directors in Shares, Underlying Shares and Debentures

As at 30 June 2025, the Directors and chief executives of the Company and their associates had the following interests in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and/or the Code for Securities Transactions by Directors and Relevant Employees adopted by the Company:

### Long positions in shares and underlying shares of the Company

Name of Directors	Number of shares		Equity derivatives (share options)	Total interests	Approximate percentage of interests
	Personal interests	Corporate/ Trust interests			
William Fung Kwok Lun	67,320,000 (Note 2)	311,792,000 (Note 1)	–	379,112,000	48.77%
Sabrina Fung Wing Yee	–	311,792,000 (Note 1)	–	311,792,000	40.11%
Richard Yeung Lap Bun	24,396,000	–	–	24,396,000	3.14%
Michael Tang Tsz Kin	–	–	11,130,000 (Note 3)	11,130,000	1.43%
Anthony Lo Kai Yiu	2,276,000	–	–	2,276,000	0.29%

## Notes:

- (1) *King Lun Holdings Limited ("King Lun") through its indirect wholly-owned subsidiary, Fung Retailing Limited ("FRL") (a wholly-owned subsidiary of Fung Holdings (1937) Limited ("FH 1937")) held 311,792,000 shares in the Company. 50% of the issued share capital of King Lun is owned by HSBC Trustee (C.I.) Limited, the trustee of a trust established for the benefit of the family members of Dr Victor Fung Kwok King, the remaining 50% is owned by Dr William Fung Kwok Lun. Ms Sabrina Fung Wing Yee is the daughter of Dr Victor Fung Kwok King. Therefore, Dr William Fung Kwok Lun (by virtue of his interests in King Lun) and Ms Sabrina Fung Wing Yee (as family member of Dr Victor Fung Kwok King) are deemed to have interests in 311,792,000 shares of the Company.*
- (2) *Dr William Fung Kwok Lun has personal interests of 67,320,000 shares in the Company.*
- (3) *These interests represented the interests in the share options (being regarded as unlisted physically settled equity derivatives) granted by the Company to the Director as beneficial owner, the details of which are set out in the section headed "Share Options" below.*

Save as disclosed above, as at 30 June 2025, none of the Directors, chief executives of the Company and their associates had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations. Besides, save as disclosed above, at no time during the period, the Directors and chief executives of the Company (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or its associated corporations required to be disclosed pursuant to the SFO.

## Interests and Short Positions of Shareholders in Shares and Underlying Shares

As at 30 June 2025, other than the interests of the Directors or chief executives of the Company as disclosed above, the following persons had notified the Company of their interests in shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### Interests in shares of the Company

Name of shareholders	Number of shares	Nature of interests/ Holding capacity	Approximate percentage of interests
HSBC Trustee (C.I.) Limited	311,792,000	Trustee (Note)	40.11%
King Lun Holdings Limited	311,792,000	Interest of controlled corporation (Note)	40.11%

Note:

*These shares were held by FRL. King Lun indirectly owns 100% interests in FRL through its wholly-owned subsidiary, FH 1937. All of HSBC Trustee (C.I.) Limited, King Lun, FH 1937 and FRL are deemed to have interests in these shares pursuant to the SFO. Please refer to Note 1 in the above section headed "Interests and Short Positions of Directors in Shares, Underlying Shares and Debentures".*

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any other interests or short positions in shares or underlying shares of the Company being held by any other shareholders as recorded in the register required to be kept under section 336 of the SFO.

## Share Options

On 29 April 2020, the 2020 Share Option Scheme was approved and adopted by the shareholders at the annual general meeting of the Company for the purpose of providing incentives and/or rewards to eligible persons as defined in the scheme.

Details of the movements of share options under the 2020 Share Option Scheme during the six months ended 30 June 2025 are as follows:

Grantees	Number of share options			As at 30/6/2025	Exercise price HK\$	Grant date	Vesting period	Exercisable period
	As at 1/1/2025	Granted (Note 1)	Lapsed (Note 4)					
<b>Director</b>								
Michael Tang Tsz Kin	4,130,000	-	-	4,130,000	0.64	28/3/2024	28/3/2024-31/3/2025	1/4/2025-31/3/2028
	-	7,000,000	-	7,000,000	0.32	28/3/2025	28/3/2025-31/3/2026	1/4/2026-31/3/2029
<b>Continuous contract employees</b>	10,166,000	-	(134,000)	10,032,000	0.764	11/11/2021	11/11/2021-31/3/2023	1/4/2023-31/3/2026
	5,876,000	-	(318,000)	5,558,000	0.64	28/3/2024	28/3/2024-31/3/2025	1/4/2025-31/3/2028
	-	13,000,000	-	13,000,000	0.32	28/3/2025	28/3/2025-31/3/2026	1/4/2026-31/3/2029
	20,172,000	20,000,000	(452,000)	39,720,000				



## Other Information

*Notes:*

- During the period, share options to subscribe for a total of 20,000,000 shares were granted on 28 March 2025. The closing price of the shares immediately before the date on which the share options were granted was HK\$0.315. There is no performance target attached to the share options.*
- The above options granted are recognised as expenses in the consolidated financial statements in accordance with the Company's accounting policy as set out in the annual audited financial statements for the year ended 31 December 2024.*
- The value of the options granted during the period is HK\$594,000 based on the Black-Scholes Valuation model. The significant inputs into the model were share price of HK\$0.31 at the grant date, exercise price shown above, standard deviation of expected share price returns of 26.2%, expected life of options of three years, expected dividend paid out rate of 7.0% and annual risk-free interest rate of 3.1%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years. The Black-Scholes Valuation model is developed to estimate the fair value of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.*
- Share options to subscribe for 452,000 shares under the 2020 Share Option Scheme lapsed during the period following the cessation of employment of certain grantees.*
- No share options under the 2020 Share Option Scheme were exercised, cancelled or expired during the period.*

The number of shares that may be issued in respect of share options granted under the 2020 Share Option Scheme during the period divided by the weighted average number of ordinary shares in issue of the Company for the period is approximately 2.54%.

Number of share options available for grant under the 2020 Share Option Scheme as at 1 January 2025 and 30 June 2025 are as follows:

	30 June 2025	1 January 2025
Share options under the mandate limit	<b>35,367,897</b>	54,915,897

Save as disclosed above, as at 30 June 2025, none of the Directors, chief executives or substantial shareholders of the Company or their respective associates had been granted any other share options.

## Change in Director's Information

Pursuant to Rule 13.51B(1) of the Listing Rules, change of Director's information since the publication of the Company's 2024 Annual Report are set out below:

Name of Director	Change
Terence Fung Yue Ming	He has been re-designated from a Non-executive Director to an Executive Director and appointed as the Vice Chairman of the Board with effect from 1 June 2025

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

## Interim Dividend

The Board of Directors has resolved to declare an interim dividend for the six months ended 30 June 2025 of 1 HK cent (2024: 2 HK cents) per share to the shareholders of the Company.

## Closure of Register of Members

The Register of Members of the Company will be closed from 1 September 2025 to 2 September 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to the interim dividend, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 29 August 2025. Dividend warrants will be despatched on 11 September 2025.

# Condensed Consolidated Profit and Loss Account

For the six months ended 30 June 2025

		(Unaudited) Six months ended 30 June	
	Note	2025 HK\$'000	2024 HK\$'000
Revenue	4	688,139	721,654
Cost of sales	5	(332,698)	(334,427)
Gross profit		355,441	387,227
Other income	4	3,715	3,333
Selling expenses	5	(243,081)	(267,269)
Distribution costs	5	(37,188)	(42,180)
Administrative expenses	5	(58,462)	(63,692)
Core operating profit		20,425	17,419
Interest expenses, net	6	(1,065)	(672)
Profit before income tax		19,360	16,747
Income tax expenses	7	(4,300)	(3,980)
Profit attributable to shareholders of the Company		15,060	12,767
Earnings per share (HK cents)			
Basic/diluted	8	1.9	1.6

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Profit attributable to shareholders of the Company	<b>15,060</b>	12,767
Other comprehensive income/(loss):		
Item that may be reclassified subsequently to profit or loss		
Exchange differences	<b>343</b>	(101)
Total comprehensive income attributable to shareholders of the Company	<b>15,403</b>	12,666

# Condensed Consolidated Balance Sheet

As at 30 June 2025

		(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
	Note		
<b>Assets</b>			
Non-current assets			
Intangible assets	12	359,307	359,357
Fixed assets	10	168,281	170,329
Right-of-use assets	11	194,676	223,541
Investment properties	13	5,144	5,261
Lease premium for land		62,453	63,926
Deferred tax assets		6,043	4,681
Rental and other long-term deposits		44,335	51,521
		840,239	878,616
Current assets			
Inventories		37,075	42,286
Rental deposits		19,438	19,443
Trade receivables	14	60,458	37,687
Other receivables, deposits and prepayments		29,197	27,711
Taxation recoverable		317	641
Short-term bank deposit		15,700	–
Restricted bank deposit		1,242	1,204
Cash and cash equivalents		149,868	206,016
		313,295	334,988
Total assets		1,153,534	1,213,604
<b>Equity</b>			
Share capital	17	77,742	77,742
Reserves		565,605	557,680
Total equity		643,347	635,422
<b>Liabilities</b>			
Non-current liabilities			
Lease liabilities	16	86,871	105,050
Long service payment liabilities		11,324	12,550
Deferred tax liabilities		8,192	8,266
		106,387	125,866
Current liabilities			
Trade payables	15	61,563	71,347
Other payables and accruals		120,495	135,229
Lease liabilities	16	117,152	128,701
Taxation payable		5,217	3,689
Cake coupons		99,373	113,350
		403,800	452,316
Total equity and liabilities		1,153,534	1,213,604

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	(Unaudited) Attributable to shareholders of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 January 2025	77,742	888	20,002	1,406	(2,763)	538,147	635,422
Profit attributable to shareholders of the Company	-	-	-	-	-	15,060	15,060
Exchange differences	-	-	-	-	343	-	343
Total comprehensive income for the period	-	-	-	-	343	15,060	15,403
Employee share option benefit	-	-	-	260	-	36	296
Dividends paid	-	-	-	-	-	(7,774)	(7,774)
	-	-	-	260	-	(7,738)	(7,478)
At 30 June 2025	77,742	888	20,002	1,666	(2,420)	545,469	643,347
At 1 January 2024	77,742	888	20,002	954	(274)	560,878	660,190
Profit attributable to shareholders of the Company	-	-	-	-	-	12,767	12,767
Exchange differences	-	-	-	-	(101)	-	(101)
Total comprehensive (loss)/income for the period	-	-	-	-	(101)	12,767	12,666
Employee share option benefit	-	-	-	156	-	-	156
Dividends paid	-	-	-	-	-	(31,097)	(31,097)
	-	-	-	156	-	(31,097)	(30,941)
At 30 June 2024	77,742	888	20,002	1,110	(375)	542,548	641,915

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2025

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cash flows from operating activities		
Cash generated from operations	<b>65,319</b>	93,589
Hong Kong profits tax paid	<b>(1,801)</b>	(1,098)
Overseas income tax paid	<b>(1,991)</b>	(1,092)
Net cash generated from operating activities	<b>61,527</b>	91,399
Cash flows from investing activities		
Acquisition of subsidiary	–	(2,881)
Purchase of fixed assets	<b>(20,068)</b>	(17,082)
Proceeds from disposal of fixed assets	–	37
Increase in short-term bank deposit	<b>(15,700)</b>	–
Interest received	<b>2,288</b>	3,514
Net cash used in investing activities	<b>(33,480)</b>	(16,412)
Cash flows from financing activities		
Payment of lease liabilities	<b>(78,788)</b>	(90,883)
Decrease in rental deposits	<b>2,308</b>	1,356
Dividends paid	<b>(7,774)</b>	(31,097)
Net cash used in financing activities	<b>(84,254)</b>	(120,624)
Decrease in cash and cash equivalents	<b>(56,207)</b>	(45,637)
Cash and cash equivalents at 1 January	<b>206,016</b>	220,640
Effect of foreign exchange rate changes	<b>59</b>	(566)
Cash and cash equivalents at 30 June	<b>149,868</b>	174,437



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# Notes to the Condensed Consolidated Interim Financial Information

## 1. General information

Convenience Retail Asia Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the operation of (i) a chain of bakeries under the brand name of Saint Honore in Hong Kong, Macau and Mainland China; (ii) a chain of premium pâtisserie under the brand name of Mon cher in Hong Kong – one of Japan’s most popular pâtisserie and cake brands; (iii) a chain of fast-fashion eyewear stores under the brand name of Zoff in Hong Kong and Singapore; and (iv) a wholesale business providing bakery and festive products to corporate customers in Hong Kong, Macau and Mainland China.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and its principal place of business is 15th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

The Company’s shares are currently listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information have been approved for issue by the Board of Directors on 14 August 2025.

## **2. Basis of preparation**

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange.

This condensed consolidated interim financial information should be read in conjunction with the 2024 consolidated financial statements which have been prepared in accordance with HKFRS Accounting Standards.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used and described in the 2024 consolidated financial statements.

The Group has adopted new and amended standards and interpretation of HKFRS Accounting Standards which are mandatory for the accounting periods beginning on or after 1 January 2025 and relevant to its operations. The adoption of such new and amended standards and interpretation does not have material impact on the condensed consolidated interim financial information and does not result in substantial changes to the Group’s accounting policies.

## **3. Financial risk management**

The Group’s activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the 2024 consolidated financial statements, and should be read in conjunction with the 2024 consolidated financial statements.

There have been no changes in the risk management policies since the year end.

#### 4. Revenue, other income and segment information

The Group is principally engaged in the operation of bakeries and eyewear business. Revenues recognised during the period are as follows:

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Revenue		
Bakery sales revenue	<b>614,920</b>	648,658
Eyewear sales revenue	<b>73,219</b>	72,996
	<b>688,139</b>	721,654
Other income		
Service items and miscellaneous income	<b>3,715</b>	3,333

#### Segment information

Management has determined the operating segments based on the reports reviewed by the executive director that are used to make strategic decisions.

In previous years, management considered the business principally from the perspective of product/service and geographic. In 2024, the Group decided to restructure the operation in Mainland China. Therefore, starting from 2025, management consider the business primarily from the perspective of product/service – bakery and eyewear businesses. For bakery segment, revenues are mainly comprised of sale of bakery and festival products under the brand names of Saint Honore and Mon cher. For eyewear segment, revenues are mainly derived from the sale of eyewear products under the brand name of Zoff. Accordingly, the Group has identified only two operating segments, and the segment information has been presented in a manner consistent with the way in which information is reported internally to the Group's senior executive management (the Chief Operating Decision Maker) for the purpose of resource allocation and performance assessment. Prior year comparatives segment information has been restated to conform with the current year presentation accordingly.

**4. Revenue, other income and segment information** (continued)**Segment information** (continued)

The segment information provided to the management for the reportable segments for the six months ended 30 June 2025 and 2024 are as follows:

	(Unaudited) Six months ended 30 June 2025		
	Bakery HK\$'000	Eyewear HK\$'000	Group HK\$'000
Revenue from external customers	614,920	73,219	688,139
Other income	2,616	1,099	3,715
	617,536	74,318	691,854
Core operating profit/(loss)	22,714	(2,289)	20,425
Core operating profit/(loss) (included interest expenses on lease liabilities)	20,204	(2,839)	17,365
Depreciation	(80,748)	(18,261)	(99,009)
Depreciation (excluded depreciation on right-of-use assets)	(20,280)	(3,458)	(23,738)

**4. Revenue, other income and segment information** (continued)**Segment information** (continued)

	(Unaudited) Six months ended 30 June 2024		
	Bakery HK\$'000	Eyewear HK\$'000	Group HK\$'000
Revenue from external customers	648,658	72,996	721,654
Other income	2,566	767	3,333
	651,224	73,763	724,987
Core operating profit/(loss)	21,370	(3,951)	17,419
Core operating profit/(loss) (included interest expenses on lease liabilities)	18,192	(4,594)	13,598
Depreciation	(93,812)	(19,634)	(113,446)
Depreciation (excluded depreciation on right-of-use assets)	(22,871)	(3,092)	(25,963)

The revenue from external parties is derived from numerous external customers and the revenue reported to the management is measured in a manner consistent with that of the condensed consolidated profit and loss account. The management assesses the performance of the operating segments based on a measure of core operating profit (included interest expenses on lease liabilities).

The reconciliation of the total reportable segments' core operating profit (included interest expenses on lease liabilities) to the profit before income tax can be referred to the condensed consolidated profit and loss account and interest expenses, net in note 6, as the reconciliation items are not included in the measure of the segments' performance by the management.

**4. Revenue, other income and segment information** (continued)**Segment information** (continued)

The segment assets and liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	<b>(Unaudited)</b> <b>As at 30 June 2025</b>		
	<b>Bakery</b> <b>HK\$'000</b>	<b>Eyewear</b> <b>HK\$'000</b>	<b>Group</b> <b>HK\$'000</b>
Total segment assets	<b>968,854</b>	<b>78,537</b>	<b>1,047,391</b>
Total segment assets include:			
Additions to segment non-current assets	<b>65,056</b>	<b>1,967</b>	<b>67,023</b>
Total segment liabilities	<b>447,274</b>	<b>49,504</b>	<b>496,778</b>

	<b>(Audited)</b> <b>As at 31 December 2024</b>		
	<b>Bakery</b> <b>HK\$'000</b>	<b>Eyewear</b> <b>HK\$'000</b>	<b>Group</b> <b>HK\$'000</b>
Total segment assets	953,587	99,695	1,053,282
Total segment assets include:			
Additions to segment non-current assets	154,607	50,113	204,720
Total segment liabilities	499,056	67,171	566,227

The amounts provided to the management with respect to total assets and total liabilities are measured in a manner consistent with that of the condensed consolidated balance sheet. These assets and liabilities are allocated based on the operations of the segment.

**4. Revenue, other income and segment information** (continued)**Segment information** (continued)

Reportable segment assets are reconciled to total assets as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Segment assets for reportable segments	1,047,391	1,053,282
Unallocated:		
Deferred tax assets	6,043	4,681
Taxation recoverable	317	641
Corporate bank deposits	99,783	155,000
Total assets per condensed consolidated balance sheet	1,153,534	1,213,604

Reportable segment liabilities are reconciled to total liabilities as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
Segment liabilities for reportable segments	496,778	566,227
Unallocated:		
Deferred tax liabilities	8,192	8,266
Taxation payable	5,217	3,689
Total liabilities per condensed consolidated balance sheet	510,187	578,182

The Group is domiciled in Hong Kong. The result of its revenue from external customers in Hong Kong is HK\$608,568,000 (2024: HK\$613,921,000), and the total of its revenue from other regions is HK\$79,571,000 (2024: HK\$107,733,000) for the six months ended 30 June 2025.

The total of non-current assets other than deferred tax assets located in Hong Kong is HK\$762,436,000 (as at 31 December 2024: HK\$791,920,000), and the total of these non-current assets located in other regions is HK\$71,760,000 (as at 31 December 2024: HK\$82,015,000) as at 30 June 2025.



## 5. Expenses by nature

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Cost of inventories sold	<b>184,306</b>	190,795
Delivery charges	<b>18,643</b>	21,414
Depreciation of fixed assets	<b>22,148</b>	24,372
Depreciation of right-of-use assets	<b>75,271</b>	87,483
Depreciation of investment properties	<b>117</b>	117
Depreciation of lease premium for land	<b>1,473</b>	1,474
Employee benefit expense	<b>245,205</b>	257,410
Short-term and variable lease payments	<b>8,513</b>	7,932
Utilities	<b>21,374</b>	22,064
Other expenses	<b>94,379</b>	94,507
Total cost of sales, selling expenses, distribution costs and administrative expenses	<b>671,429</b>	707,568

**6. Interest expenses, net**

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income on bank deposits	<b>1,995</b>	3,149
Interest expenses on lease liabilities	<b>(3,060)</b>	(3,821)
	<b>(1,065)</b>	(672)

**7. Income tax expenses**

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for 2025 and 2024. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates prevailing in the countries in which the Group operates.

The amount of income tax expenses charged to the condensed consolidated profit and loss account represents:

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
Hong Kong profits tax	<b>3,920</b>	2,947
Overseas profits tax	<b>1,692</b>	1,208
Deferred income tax	<b>(1,312)</b>	(175)
	<b>4,300</b>	3,980

## 8. Earnings per share

The calculation of the Group's basic and diluted earnings per share is based on the unaudited profit attributable to shareholders of the Company for the corresponding period.

The basic earnings per share is based on the weighted average number of ordinary shares in issue during the corresponding period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options as dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. 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 options.

	<b>(Unaudited)</b> <b>Six months ended</b> <b>30 June</b>	
	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Profit attributable to shareholders of the Company	<b>15,060</b>	12,767
	<b>Number of</b> <b>shares</b>	Number of shares
Weighted average number of ordinary shares in issue	<b>777,416,974</b>	777,416,974
Adjustment for: Share options	<b>136,047</b>	170,508
Weighted average number of ordinary shares for diluted earnings per share	<b>777,553,021</b>	777,587,482

## 9. Dividend

	<b>(Unaudited)</b> <b>Six months ended</b> <b>30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Interim dividend, declared of 1 HK cent (2024: 2 HK cents) per share	<b>7,774</b>	15,548

At a meeting held on 14 August 2025, the Directors declared an interim dividend and it is not reflected as dividend payable in this condensed consolidated interim financial information.

## 10. Fixed assets

	<b>(Unaudited)</b> <b>30 June</b> <b>2025</b> <b>HK\$'000</b>	(Unaudited) 30 June 2024 HK\$'000
Opening net book amount	<b>170,329</b>	181,337
Additions	<b>20,068</b>	17,082
Acquisition of subsidiary	–	1,438
Disposals	<b>(156)</b>	(745)
Depreciation	<b>(22,148)</b>	(24,372)
Exchange differences	<b>188</b>	(119)
Closing net book amount	<b>168,281</b>	174,621

**11. Right-of-use assets**

	(Unaudited) 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
Opening net book amount	223,541	266,323
Additions	46,955	64,265
Acquisition of subsidiary	–	9,960
Disposals	(46)	(4,877)
Remeasurement	(1,703)	–
Depreciation	(75,271)	(87,483)
Exchange differences	1,200	(1,311)
Closing net book amount	194,676	246,877

**12. Intangible assets**

	Goodwill HK\$'000	Trademarks HK\$'000	Licence HK\$'000	Group HK\$'000
Cost and net book amount				
At 1 January 2025	247,465	110,000	1,892	359,357
Amortisation	–	–	(50)	(50)
At 30 June 2025	247,465	110,000	1,842	359,307
At 1 January 2024	247,465	110,000	–	357,465
Acquisition of subsidiary	–	–	1,991	1,991
At 30 June 2024	247,465	110,000	1,991	359,456

**13. Investment properties**

	<b>(Unaudited) 30 June 2025 HK\$'000</b>	<b>(Unaudited) 30 June 2024 HK\$'000</b>
Opening net book amount	<b>5,261</b>	5,494
Depreciation	<b>(117)</b>	(117)
Closing net book amount	<b>5,144</b>	5,377

**14. Trade receivables**

Majority of the Group's revenue are retail cash sales. The Group's credit terms on trade receivables on income from corporate customers mainly range from 30 days to 60 days. Trade receivables are non-interest bearing. The carrying amounts of trade receivables approximate their fair values. At 30 June 2025, the aging analysis by invoice date of trade receivables is as follows:

	<b>(Unaudited) 30 June 2025 HK\$'000</b>	<b>(Audited) 31 December 2024 HK\$'000</b>
0-30 days	<b>32,520</b>	28,230
31-60 days	<b>27,151</b>	7,923
61-90 days	<b>208</b>	1,195
Over 90 days	<b>579</b>	339
	<b>60,458</b>	37,687

## 15. Trade payables

At 30 June 2025, the aging analysis by invoice date of the trade payables is as follows:

	(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
0-30 days	33,928	39,983
31-60 days	23,894	27,924
61-90 days	893	953
Over 90 days	2,848	2,487
	<b>61,563</b>	71,347

## 16. Lease liabilities

	(Unaudited) 30 June 2025 HK\$'000	(Unaudited) 30 June 2024 HK\$'000
As at 1 January	233,751	274,603
Additions	46,425	63,702
Acquisition of subsidiary	–	11,902
Disposals	(51)	(5,255)
Remeasurement	(1,703)	–
Payments	(78,788)	(90,883)
Interest expenses	3,060	3,821
Exchange differences	1,329	(1,419)
Closing net book amount	<b>204,023</b>	256,471
Current lease liabilities	<b>117,152</b>	138,346
Non-current lease liabilities	<b>86,871</b>	118,125
	<b>204,023</b>	256,471

**17. Share capital**

	(Unaudited) 30 June 2025		(Audited) 31 December 2024	
	Shares of HK\$0.10 each		Shares of HK\$0.10 each	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised:				
At end of the period	2,000,000,000	200,000	2,000,000,000	200,000
Issued and fully paid:				
At beginning and end of the period	777,416,974	77,742	777,416,974	77,742

**18. Capital commitments**

The Group had commitments to make payments in respect of the acquisition of fixed assets. Capital expenditure contracted but not yet provided as at 30 June 2025 is HK\$4,813,000 (as at 31 December 2024: HK\$5,709,000).



## 19. Related party transactions

Fung Retailing Limited (“FRL”) is a substantial shareholder of the Company, which owns 40.11% of the Company’s shares. All of the related party transactions of the Group are entered into with Fung Holdings (1937) Limited (the holding company of FRL and a substantial shareholder of the Company) and its subsidiaries and associates.

The following is a summary of the significant related party transactions carried out in the normal course of the Group’s business during the period:

### (a) Related party transactions

		<b>(Unaudited)</b>	
		<b>Six months ended</b>	
		<b>30 June</b>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
		<b>HK\$’000</b>	<b>HK\$’000</b>
<b>Income</b>			
Sales of products	(i)		
Subsidiary/fellow subsidiary of a substantial shareholder		<b>3</b>	19
Service income			
Subsidiary/fellow subsidiary of a substantial shareholder		<b>176</b>	–
<b>Charges</b>			
Reimbursement of office and administrative expenses	(ii)		
Subsidiaries/fellow subsidiary of a substantial shareholder		<b>398</b>	12
Associate of a substantial shareholder		<b>3</b>	–
Rental	(iii)		
Subsidiary of a substantial shareholder		<b>711</b>	680

**19. Related party transactions** (continued)**(b) Key management personnel compensation**

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fees	<b>1,300</b>	1,300
Bonuses	<b>2,249</b>	3,335
Salaries and other allowances	<b>4,087</b>	4,922
Employee share option benefit	<b>184</b>	108
Pension costs – defined contribution scheme	<b>39</b>	45
	<b>7,859</b>	9,710

**(c) Period-end balances with related parties**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Amounts due to:		
Subsidiary/fellow subsidiary of a substantial shareholder	<b>(113)</b>	(3)

The balances with the related parties included in other receivables and other payables are unsecured, interest free and repayable on demand.

Notes:

- (i) Sales of products to subsidiary/fellow subsidiary of a substantial shareholder were carried out in ordinary course of business and terms mutually agreed between the Group and the subsidiary/fellow subsidiary.
- (ii) Reimbursements payable to subsidiaries/fellow subsidiary/associate of a substantial shareholder in respect of office and administrative expenses incurred, are charged on an actual cost recovery basis.
- (iii) Rentals are payable to a subsidiary of a substantial shareholder in accordance with the terms of agreements.

## 20. Subsequent events

In July 2025, the Group has entered into the following transactions:

- (a) A lease agreement for a site in Tai Po Industrial Estate to expand and upgrade the manufacturing capacity and certification standards. A right-of-use asset of about HK\$9 million will be recognised upon this agreement.
- (b) An acquisition of a 20% stake in a HK company which is a food importer, manufacturer and distributor for a consideration of HK\$3 million. The investment will enable the Group to enhance the ingredient sourcing network and the retail business model.



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