MATRIX

MATRIX HOLDINGS LIMITED
美力時集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1005)

2025 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") of Matrix Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**238,025**	194,250
Cost of sales		**(147,394)**	(119,325)
Gross profit		**90,631**	74,925
Other income		**1,171**	7,016
Other gains or losses		**25,520**	2,507
Distribution and selling costs		**(58,873)**	(76,933)
Administrative expenses		**(65,731)**	(79,226)
Research and development costs		**(1,124)**	(10,586)
Finance costs		**(3,238)**	(2,126)
Loss before tax		**(11,644)**	(84,423)
Income tax expense	*5*	**(227)**	(96)
Loss for the period	*6*	**(11,871)**	(84,519)

* *For identification purpose only*

	Note	Six months ended 30 June	
		2025	2024
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Other comprehensive loss for the period, net of tax			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(23,455)**	(11,125)
Total comprehensive loss for the period, net of tax		**(35,326)**	(95,644)
Loss for the period attributable to:			
Owners of the Company		**(12,240)**	(84,008)
Non-controlling interests		**369**	(511)
		(11,871)	(84,519)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(34,591)**	(95,133)
Non-controlling interests		**(735)**	(511)
		(35,326)	(95,644)
Loss per share attributable to owners of the Company for the period (expressed in HK cents per share)			
Basic loss per share	*8*	**(1.62)**	(11.11)
Diluted loss per share	*8*	**(1.62)**	(11.11)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2025

	Note	**30 June 2025** *HK$'000* **(Unaudited)**	31 December 2024 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**73,638**	81,283
Right-of-use assets		**80,734**	38,995
Deposits	*9*	**89,690**	109,573
		244,062	229,851
Current assets			
Inventories		**294,333**	307,751
Trade and bills receivables	*9*	**112,643**	77,591
Prepayments, deposits and other receivables	*9*	**22,652**	19,296
Current tax assets		**1,939**	1,939
Fixed bank deposits with maturity over three months		**–**	899
Bank and cash balances		**46,085**	56,834
		477,652	464,310
Current liabilities			
Trade payables	*10*	**28,460**	27,007
Accruals and other payables	*10*	**70,604**	77,421
Contract liabilities		**4,983**	3,471
Bank borrowing		**1,169**	5,242
Lease liabilities		**16,164**	10,552
Amount due to directors	*11*	**42,495**	2,904
Current tax liabilities		**9,497**	9,497
		173,372	136,094
Net current assets		**304,280**	328,216
Total assets less current liabilities		**548,342**	558,067

	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Non-current liabilities		
Lease liabilities	**94,927**	61,746
Deferred tax liabilities	**1,740**	1,759
	96,667	63,505
NET ASSETS	**451,675**	494,562
Capital and reserves		
Share capital	**75,620**	75,620
Reserves	**389,241**	431,393
Equity attributable to owners of the Company	**464,861**	507,013
Non-controlling interests	**(13,186)**	(12,451)
TOTAL EQUITY	**451,675**	494,562

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The principal activity of Matrix Holdings Limited (the "**Company**") is investment holding.

The Company and its subsidiaries (collectively referred to as the "**Group**"), are principally engaged in the manufacturing and trading of toys and lighting products.

The Company is an exempted limited liability company incorporated in Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

This condensed consolidated financial statements are presented in thousands of Hong Kong dollar ("**HK$'000**"), unless otherwise stated.

This condensed consolidated financial statements were approved for issue on 26 August 2025. This condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The Group incurred a loss of HK$11,871,000 for the six months ended 30 June 2025 and the bank deposits, bank and cash balances decreased by HK$11,648,000 from HK$57,733,000 as at 31 December 2024 to HK$46,085,000 as at 30 June 2025. In view of such circumstances, the directors have given careful consideration of the future liquidity and operating performance of the Group and its available source of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. For the six months ended 30 June 2025, the ultimate controlling party Mr. Cheng Yung Pun ("**Mr. Cheng**") provided a financial support to the Group to enable the Group to meet its liabilities and financial obligations as and when they fall due and continue its business as a going concern basis in the next 15 months from 30 June 2025. As at 30 June 2025, Mr. Cheng advanced a total of HK$38,000,000 to the Group for working capital. Taking into account of the financial support from Mr. Cheng, the directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

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

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

Except as described below, the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are the same as those used in the annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

4. SEGMENT INFORMATION

The operating segments of the Group are determined based on information reported to the executive directors of the Company, being the chief operating decision makers ("**CODM**"), for the purpose of resources allocation and performance assessment. The executive directors consider the business from a product and service perspective. The executive directors considered that the Group principally engaged in two different operating and reportable segments which are subjected to different business risks and different economic characteristics and changed its internal reporting structure. The Group now grouping the toys and lighting operating segment which is previously determined based on geographic location of customers into a single reportable operating segment of manufacturing, the corresponding information for the six months ended 30 June 2024 was restated accordingly. The two reportable operating segments are as follows:

Manufacturing	–	Manufacture and sales of toys and lighting products
Property development	–	Development of properties for sale

The executive directors of the Company considered the operating activities of manufacturing and sales of toys and lighting products as a single operating segment.

For the purpose of monitoring segment performances and allocating resources between segments:

– Segment profits or losses do not include other income, other gains and losses, central administrative costs, directors' emoluments, finance costs and income taxes;

– Segment assets do not include current tax assets and other corporate assets which are managed on a central basis; and

– Segment liabilities do not include deferred tax liabilities, current tax liabilities and other corporate liabilities.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment based on the geographic location of customers:

For the six months ended 30 June 2025 (unaudited)

	Manufacturing *HK$'000*	**Property development** *HK$'000*	**Consolidated** *HK$'000*
Revenue from external customers	**238,025**	**–**	**238,025**
Segment results	**(33,326)**	**–**	**(33,326)**
Unallocated other income			**1,171**
Unallocated other gains or losses			**25,520**
Unallocated corporate expenses			**(1,771)**
Finance costs			**(3,238)**
Loss before tax			**(11,644)**

For the six months ended 30 June 2024 (restated)

	Manufacturing *HK$'000*	Property development *HK$'000*	Consolidated *HK$'000*
Revenue from external customers	194,250	–	194,250
Segment results	(72,489)	–	(72,489)
Unallocated other income			7,016
Unallocated other gains or losses			4,111
Unallocated corporate expenses			(20,935)
Finance costs			(2,126)
Loss before tax			(84,423)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 30 June 2025

	Manufacturing *HK$'000*	**Property development** *HK$'000*	**Consolidated** *HK$'000*
ASSETS			
Segment assets	**486,357**	**231,599**	**717,956**
Unallocated assets			
– Current tax assets			**1,939**
– Other corporate assets			**1,819**
Total assets			**721,714**
LIABILITIES			
Segment liabilities	**256,898**	**12**	**256,910**
Unallocated liabilities			
– Deferred tax liabilities			**1,740**
– Current tax liabilities			**9,497**
– Other corporate liabilities			**1,892**
Total liabilities			**270,039**

At 31 December 2024

	Manufacturing *HK$'000*	Property development *HK$'000*	Consolidated *HK$'000*
ASSETS			
Segment assets	435,715	253,682	689,397
Unallocated assets			
– Current tax assets			1,939
– Other corporate assets			2,825
Total assets			694,161
LIABILITIES			
Segment liabilities	187,377	7	187,384
Unallocated liabilities			
– Deferred tax liabilities			1,759
– Current tax liabilities			9,497
– Other corporate liabilities			959
Total liabilities			199,599

(c) Geographical information

The Group's operations are located in Hong Kong, Vietnam, The United states of America, Canada, Europe, the PRC, Australia, Mexico and other countries.

Information about the Group's revenue is presented on the geographical locations of the customers and information about the Group's non-current assets is presented based on the geographical locations of the assets:

	Revenue from external customers Six months ended 30 June		**Non-current assets**	
			30 June	31 December
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**–**	–	**463**	754
Vietnam	**–**	–	**154,072**	184,334
The United States of America	**163,316**	122,352	**44,431**	12
The PRC	**–**	–	**27,984**	28,748
Europe	**36,848**	32,019	**10,007**	10,202
Canada	**24,697**	20,572	**110**	–
Australia	**8,740**	11,326	**1,142**	1,327
South America	**606**	1,591	**–**	–
Mexico	**3,460**	3,292	**–**	–
Other countries	**358**	3,098	**–**	–
	238,025	194,250	**238,209**	225,377

Note: The above non-current assets excluded deferred tax assets and rental and other deposits.

(d) Information about major customers:

For the six months ended 30 June 2025, there are 2 customers (2024: 2 customers) in the United States of America with revenue amounted to approximately HK$63,265,000 (2024: HK$56,967,000) and HK$47,560,000 (2024: HK$23,929,000), contributing to approximately 26.6% and 20.0% (2024: 29.3% and 12.3%) of the total revenue of the Group. There is no other single customer contributing over 10% of the total revenue of the Group. The revenue was derived from sales of toys from the manufacturing segment.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	**–**	–
Other jurisdictions	**227**	96
Income tax expense	**227**	96

- Under the two tiered profits tax regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two tiered profits tax regime will continue to be taxed at a flat rate of 16.5%.

- The applicable tax rates for subsidiaries operating in Vietnam is 10.0% to 20.0% for the six months ended 30 June 2025 (2024: 10.0% to 20.0%).

- The applicable US enterprise income tax rate for subsidiaries operating in the United States is 21% (2024: 21%) for the period.

6. LOSS FOR THE PERIOD

Certain expenses included in cost of sales, distribution and selling costs, administrative expenses, research and development costs and other gains or losses are analysed as follows:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**2,850**	2,585
Depreciation of property, plant and equipment	**9,112**	15,918
Depreciation of right-of-use assets	**3,859**	10,587
Short-term lease expenses	**3,919**	6,163
Net exchange gain	**(25,438)**	(601)

7. DIVIDEND

A final dividend of HK$7,562,000 that relates to the year ended 31 December 2024 was paid in June 2025 (2024: HK$Nil).

On 26 August 2025, the board of directors has resolved to declare an interim dividend of HK1 cent per share (2024: HK4.5 cents per share), which is payable on 26 September 2025 to shareholders who are on the register at 11 September 2025. This interim dividend has not been recognised as a liability in these condensed consolidated financial statements. It will be recognised in shareholders' equity in the year ending 31 December 2025.

8. LOSS PER SHARE

Basic and diluted loss per share are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(12,240)**	(84,008)
Number of shares		
Weighted average number of ordinary shares in issue	**756,203,000**	756,203,000

The diluted loss per share for the six months ended 30 June 2025 and 2024 is the same as basic loss per share as there were no potential dilutive shares during the period.

9. TRADE AND BILLS RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade and bills receivables – contract with customers	**119,682**	81,892
Less: allowance for doubtful debts	**(7,039)**	(7,191)
	112,643	74,701
Other receivables, deposits and prepayments	**112,342**	128,869
Less: Non-current portion	**(89,690)**	(109,573)
	22,652	19,296

The Group allows a credit period of 30 to 90 days to its customers. The ageing analysis of trade and bills receivables based on the invoice date, and net of allowance is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–60 days	**72,146**	53,338
61–90 days	**12,500**	8,146
More than 90 days	**27,997**	16,107
	112,643	77,591

10. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**28,460**	27,007
Other payables and accruals	**70,604**	77,421
	99,064	104,428

The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–60 days	**16,187**	18,517
61–90 days	**4,741**	5,897
More than 90 days	**7,532**	2,593
	28,460	27,007

11. AMOUNT DUE TO DIRECTORS

The amount due to directors is unsecured, non-interest bearing and repayable on demand.

12. CAPITAL COMMITMENTS

As at 30 June 2025, the capital commitments contracted but not provided for in the condensed consolidated interim financial information of the Group were HK$289,000 (31 December 2024: HK$737,000).

MANAGEMENT DISCUSSION & ANALYSIS

For the six months ended 30 June 2025, the Group's consolidated revenue increased by approximately HK$43,775,000 or 22.5% to approximately HK$238,025,000 from approximately HK$194,250,000 for the corresponding period of last year. The loss attributable to the owners of the Company was approximately HK$12,240,000, reflecting a decrease of 85.4% from last corresponding period's loss of approximately HK$84,008,000.

The Group's overall revenue increased due to the growth driven by increased market penetration and robust demand within the US market. The successful launch of new product lines, alongside improvements in sales channels contributed to increased sales volumes. Additionally, the introduction of products tailored specifically to US consumer preferences further boosted sales. The Group also benefited from favorable market conditions, such as elevated consumer spending during the first quarter of 2025, prior to the implementation of US tariffs, and was further supported by accelerated customer orders placed in anticipation of these tariffs. However, in the second quarter of 2025, the Group faced adverse effects due to a slight delay in certain customers placing orders, which was caused by the threat of US imposing tariffs on Vietnamese imports.

The Group capitalized on the opportunities arising from rapid technological advancements by optimizing production technology and capacity, streamlining business processes, and exercising prudent control over operating costs.

FINANCIAL REVIEW

Revenue

Revenue of the period recorded approximately HK$238,025,000, increased by 22.5% from last corresponding period as primarily driven by expanded market penetration and stronger demand in the US market. The successful launch of new product offerings, along with the enhancement of sales channels contributed to increased sales volumes. Additionally, the introduction of product lines tailored specifically to US consumer preferences further boosted sales.

Gross profit

The Group's gross profit for the period increased by approximately 21.0% to approximately HK$90,631,000, which was in line with the increase in sales.

Other gains or losses

Other gains or losses primarily represents the net exchange gain of HK$25,438,000 for the current period.

Distribution and selling costs

Distribution and selling costs decreased by approximately 23.5% to approximately HK$58,873,000 for the period. The decrease was mainly attributable to the decrease in advertising expenses.

Administrative expenses

Administrative expenses for the period decreased by approximately 17.0% to approximately HK$65,731,000, which mainly consisted of office staff salaries, rent and rates of offices, depreciation of property, plant and equipment and other administrative expenses.

Finance costs and income tax

Finance costs of the period increased by approximately 52.3% to approximately HK$3,238,000 as compared to last period due to the increase in the interest of lease liabilities. Income tax expense for the period recorded approximately HK$227,000 as compared to income tax expense of approximately HK$96,000 of last period due to the increase in tax expense.

Trade and bills receivables, prepayment, deposits and other receivables

Trade and bills receivables of the period increased by approximately 45.2% to approximately HK$112,643,000 as compared to last period, mainly attributed from the increase in sales. Prepayment, deposit and other receivables increased by approximately 17.4% to approximately HK$22,652,000, due to the increase in other deposits paid.

Trade payables, accruals and other payables

Trade payables of the period increased by approximately 5.4% to approximately HK$28,460,000 as compared to last period, mainly due to the expansion of our trading business. Accruals and other payables decreased by approximately 8.8% to approximately HK$70,604,000, due to the decrease in accrued employee benefit expenses and other payables and accruals.

Quick Ratio

The quick ratio of the period was similar to last period.

Current Ratio

The current ratio of the period was similar to last period.

Financial position and cash flows review

The Group's cash flow position was healthy and the bank borrowings were maintained at a minimum level.

Liquidity and financial resources

As at 30 June 2025, the Group had bank and cash balances of approximately HK$46,085,000 (31 December 2024: HK$57,733,000). As at 30 June 2025, the Group obtained banking facilities in a total of approximately HK$70,000,000 (31 December 2024: HK$70,000,000), which was mainly supported by a corporate guarantee.

As at 30 June 2025, the Group had bank borrowings of HK$1,169,000 (31 December 2024: HK$5,242,000).

The Group's gearing ratio, representing the total of bank borrowings, amount due to directors and lease liabilities, divided by equity attributable to owners of the Company, was 34.3% (31 December 2024: 16.3%), higher than last period.

During the period, net cash used in operating activities amounted to approximately HK$26,288,000 (31 December 2024: net cash used in HK$60,759,000). The Group has maintained an adequate level of cash flows for its business operations and capital expenditures.

Capital expenditure and commitments

During the period, the Group acquired property, plant and equipment at a cost of approximately HK$3,909,000 (31 December 2024: HK$21,514,000) for the facilities. These capital expenditures were financed primarily by internal fund.

Assets and liabilities

At 30 June 2025, the Group had total assets of approximately HK$721,714,000 (31 December 2024: HK$694,161,000), total liabilities of approximately HK$270,039,000 (31 December 2024: HK$199,599,000) and equity attributable to owners of the Company of approximately HK$464,861,000 (31 December 2024: HK$507,013,000). The net assets of the Group decreased by 8.7% to approximately HK$451,675,000 as at 30 June 2025 (31 December 2024: HK$494,562,000).

Significant Investment and Acquisition

There was no significant investment and acquisition for the period ended 30 June 2025.

Significant Disposal/Important Event

There was no significant disposal/important corporate event for the period ended 30 June 2025.

Exchange rate risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Certain bank balances, trade receivables and trade payables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

BUSINESS REVIEW

In 2025, the U.S. economy is experiencing reduced government expenditure, and disruptions caused by tariff-related trade issues. Elevated tariffs on imports from countries including Vietnam have created economic uncertainty that hampers business planning. Consumer spending is notably softening, particularly on essentials such as food and vehicles, as rising prices erode purchasing power. The labor market is negatively impacted by slower job growth and a projected rise in unemployment, partly due to federal workforce reductions. Fiscal challenges, including government spending cuts and a large federal deficit, add to the prevailing economic uncertainty.

Despite the uncertainty, sales of Original Brand Manufacturing ('OBM') products like 'Fart Ninjas,' 'Might Fleet,' and 'Gazillion,' as well as Original Design Manufacturing ('ODM') products such as 'CAT' and 'SpongeBob SquarePants,' have increased, offsetting declines in sales of some OBM products like 'Furlings', 'Crushie Fluffies,' 'Bright Fairy Friends,' girl toy series products, lighting products and ODM brand 'TEENAGE MUTANT NINJA TURTLES' product. The Group has effectively adapted to these evolving market conditions by focusing on customer-centric product innovation and enhancing after-sales services, which has boosted customer retention and repeat purchases. Although challenges like inflationary pressures, the Group's proactive and agile strategies have helped mitigate negative impacts and improve profitability for the six months ended June 30, 2025. Notably, sales growth in the ODM brand 'CAT' and OBM brand 'Fart Ninjas' and 'Gazillion' helped to offset declines elsewhere.

In response to these challenges, the Group concentrated on maintaining customer loyalty in North America and Canada by enhancing product offerings and optimizing inventory management. The Group remains committed to its core brand strategies and has launched new marketing campaigns for brands including 'CAT' and 'Fart Ninjas'. To further address market challenges and broaden its portfolio, the Group introduced new licensed ODM products such as 'SpongeBob SquarePants' alongside OBM product like 'Burp Zombies'. Concurrently, the Group is implementing cost control initiatives and advancing automation. Despite the difficult operating environment, the Group continues to maintain a financially prudent approach.

The Group's primary manufacturing facility is located in Vietnam. Leveraging its strong industry position and expansion plans in the country, the Group has restructured plant operations and enhanced supply chain efficiency, resulting in reduced production costs. To boost competitiveness, the Group has increased production capacity and improved quality through localized production and management practices, complemented by automation advancements within its manufacturing processes.

Property Development

The Company has strategically strengthened its footprint in Vietnam by acquiring land in Danang City through its subsidiary. This move supports the Group's broader strategy to diversify and tap into Vietnam's expanding property market. By leveraging its established presence and management expertise in the region, the Company aims to seize opportunities in property development, thereby expanding its asset portfolio and income streams.

After carefully evaluating various factors in Vietnam, including market conditions and resource availability, the Group continues to pursue property development in 2025.

ENVIRONMENTAL PROTECTION

The Group believes that maintaining a healthy and harmonious relationship with its stakeholders and fulfilling its social responsibilities to the community is essential for building and preserving the value of the Group. Adhering to the principles of Reducing, Recycling and Reusing, the Group encourages green office practices such as double-sided printing and copying, setting up recycling bins, promoting usage of recycled paper and reducing energy consumption by switching off lightings and electrical appliances when not in use, and will consider implementing further eco-friendly measures and practices which become an integral part of the Group's operation and businesses.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board and internal audit function team delegated by the Board monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. In accordance with the requirements of the laws, regulations and related policies in Hong Kong, the PRC, Vietnam and other relevant jurisdictions, the Group provides and maintains statutory benefits for its staff, including but not limited to mandatory provident fund, basic medical insurance, labour insurance, etc. Staff is entitled to statutory holidays. The Group has registered its products, domain name and trademarks in Hong Kong, the PRC and other relevant jurisdictions and takes all appropriate actions to protect and enforce its intellectual property rights.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group acknowledges that employees, customers and business partners are crucial to its sustainable growth. The Group is hence committed to building up close and caring relationship with its employees, providing excellent service to its customers and enhancing partnership with its business partners.

PROSPECTS

The U.S. economy in 2025 confronts slowed growth, persistent inflation fueled in part by tariffs, a softening labor market, fiscal constraints, and elevated risks amid ongoing policy and trade uncertainties. Recent steps by the U.S. administration to negotiate tariff resolutions with various countries have alleviated some of the tariff-related uncertainties. Against this backdrop, the Group plans to focus on innovation and licensed products. Companies that adapt to these trends and challenges are likely to thrive in a competitive landscape. To navigate global economic and geopolitical uncertainties, the Group will implement a flexible strategy to broaden its product offerings and deepen customer engagement. The Group will also manage our financial resources and cash reserves prudently to enhance our resilience against challenging business conditions.

From a manufacturing perspective, we will continue to invest in automation to improve efficiency and create long-term value for our shareholders.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of approximately 2,200 (31 December 2024: 2,200) employees in Hong Kong, the PRC, Vietnam, Australia, the US, Canada, Mexico and Europe. The Group provides its employees with competitive remuneration packages commensurate to the level of pay established by the market trend in comparable businesses. A mandatory provident fund scheme and respective local retirement schemes also had been set up by our Group.

INTERIM DIVIDEND

The Directors had resolved to declare an interim dividend of HK1 cent (2024: HK4.5 cents) in cash per share for the six months ended 30 June 2025, payable to shareholders whose names appear on the Register of Members of the Company on 11 September 2025.

The record date for the purpose of determining the shareholders which are entitled to dividend is 11 September 2025. In order to qualify for the interim dividend, all transfers and relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on 11 September 2025. The interim dividend will be paid on or around 26 September 2025.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted the corporate governance code (the "**CG Code**") and amended it from time to time, which is based on the principles set out in Appendix C1 (the "**HKEx Code**") to the Listing Rules on the Stock Exchange.

None of the directors of the Company is aware of information that would reasonably indicate the Company is not or was not for any part of the period under review, in compliance with the HKEx Code and CG Code.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX C3 OF THE LISTING RULES

The Company has adopted and amended from time to time a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix C3 Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") of the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

OTHER REQUIRED DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Company has received two revised facility letters with the same facility amount of the old facility, that is, in an aggregate not exceeding HK$70,000,000, provided to three indirect wholly-owned subsidiaries effective on 18 September 2020 (the "**revised facilities**" which are subject to annual review). All these two revised facility letters' terms and conditions included, inter alia, a condition to the effect that Mr. Cheng Yung Pun (a controlling shareholder of the Company) should maintain not less than 51% of shareholding (whether directly or indirectly) of the Company. A breach of the above condition will constitute an event of default under the revised facilities. The Bank will discuss for remedy actions including obtaining waiver for the breach or seeking for any viable solutions or alternatives. Nevertheless, the revised facilities will be uncommitted lines and the Bank reserves the right to request repayment on demand.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2025 have been reviewed by the Audit Committee, who are of the opinion that these interim results comply with applicable accounting standard and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited and the Company. The 2025 Interim Report of the Company will be dispatched to the shareholders of the Company as well as published on the website of the Hong Kong Exchanges and Clearing Limited and the Company in due course.

BOARD COMPOSITION

As at the date of this announcement, the Board consists of Mr. Cheng Yung Pun, Mr. Cheng King Cheung, Ms. Yip Hiu Har, Mr. Cheng Kin Cheong and Ms. Shirley Marie Price as executive directors; Mr. Mak Shiu Chung, Godfrey, Mr. Heng Victor Ja Wei and Mr. Chui Ka Hing as independent non-executive directors.

By Order of the Board
Cheng Yung Pun
Chairman

Hong Kong, 26 August 2025