HANVEY GROUP HOLDINGS LIMITED
恒偉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立的有限公司）

Stock Code 股份代號 : 8219

2025
Interim Report
中期報告

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*This interim report, for which the directors (the "**Directors**") of Hanvey Group Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this interim report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this interim report misleading.*

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Corporate Information

BOARD OF DIRECTOR

Executive Directors

Mr. Cheuk Sin Cheong Clement
(Chairman and Chief Executive Officer)
Ms. Au Corona Ching Mei M.H.

Independent Non-executive Directors

Mr. Yu Sau Ning Homer M.H.
Ms. Yee Wai Fong Wendy
Mr. Yip Yat Lam

COMPLIANCE OFFICER

Ms. Au Corona Ching Mei M.H.

COMPANY SECRETARY

Ms. Pang Yuk Fong

AUTHORISED REPRESENTATIVES

Ms. Au Corona Ching Mei M.H.
Ms. Pang Yuk Fong

AUDIT COMMITTEE

Mr. Yu Sau Ning Homer M.H. *(Chairman)*
Ms. Yee Wai Fong Wendy
Mr. Yip Yat Lam

REMUNERATION COMMITTEE

Mr. Yu Sau Ning Homer M.H. *(Chairman)*
Ms. Au Corona Ching Mei M.H.
Mr. Yip Yat Lam

NOMINATION COMMITTEE

Mr. Cheuk Sin Cheong Clement *(Chairman)*
Mr. Yu Sau Ning Homer M.H.
Ms. Yee Wai Fong Wendy

AUDITOR

Confucius International CPA Limited

HONG KONG LEGAL ADVISOR

TC & Co., Solicitors

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3, 5 and 6, 15th Floor
Tower One, Ever Gain Plaza
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Kwai Chung, New Territories
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank

GEM STOCK CODE

8219

WEBSITE ADDRESS

www.hanveygroup.com.hk

Summary

- Revenue for the six months ended 30 June 2025 (the "**Period**") amounted to approximately HK$54.06 million (six months ended 30 June 2024: approximately HK$51.81 million), representing an increase of approximately 4.34% as compared with that for the corresponding period in 2024.

- Profit attributable to owners of the Company for the Period amounted to approximately HK$1.06 million (six months ended 30 June 2024: loss approximately HK$8.97 million).

- Basic earning per share for the Period amounted to approximately HK0.43 cents (basic loss per share for the six months ended 30 June 2024: approximately HK5.44 cents).

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The board of Directors (the "**Board**") of Hanvey Group Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the three months and six months ended 30 June 2025 together with the comparative figures as follows:

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	**2025 HK$'000 (unaudited)**	2024 HK$'000 (unaudited)
Revenue	*4*	**54,062**	51,811
Cost of sales		**(35,645)**	(34,512)
Gross profit		**18,417**	17,299
Other income, gains and losses	*4*	**2,613**	(334)
Selling and distribution expenses		**(1,402)**	(1,510)
Administrative expenses		**(18,402)**	(20,361)
Gain on disposal of subsidiary	*5*	**1,938**	–
Finance costs		**(2,011)**	(3,918)
Profit/(loss) before taxation	*6*	**1,153**	(8,824)
Income tax expenses	*7*	**(95)**	(148)
Profit/(loss) for the period		**1,058**	(8,972)
Attributable to:			
Owners of the Company		**1,060**	(8,970)
Non-controlling interests		**(2)**	(2)
		1,058	(8,972)
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(4,995)**	4,740
Other comprehensive (expense)/income for the period, net of tax		**(4,995)**	4,740
Total comprehensive expense for the period		**(3,937)**	(4,232)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(3,935)**	(4,230)
Non-controlling interests		**(2)**	(2)
		(3,937)	(4,232)
Earning/(loss) per share			
– basic and diluted	*9*	**HK0.43 cents**	HK(5.44) cents

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**11,554**	12,513
Right-of-use assets		**295**	287
Investment properties		**9,188**	9,188
Financial assets at fair value through profit or loss		**460**	460
		21,497	22,448
Current assets			
Inventories		**16,362**	11,418
Trade receivables	*11*	**24,407**	34,159
Other receivables, deposits and prepayments	*11*	**13,443**	14,113
Financial assets at fair value through profit or loss		**19,843**	19,783
Cash and bank balances		**7,150**	16,518
		81,205	95,991
Assets classified as held for sale	*8*	**16,100**	34,902
		97,305	130,893
Current liabilities			
Bank overdrafts		**5,269**	2,873
Trade and bills payables	*12*	**47,586**	51,415
Other payables and accrued expenses	*12*	**4,525**	4,990
Contract liabilities		**671**	2,701
Borrowings		**50,148**	56,184
Tax payable		**159**	48
Lease liabilities		**340**	331
		108,698	118,542
Liabilities associated with assets classified as held for sale	*8*	**2,447**	23,205
		111,145	141,747
Net current liabilities		**(13,840)**	(10,854)
Total assets less current liabilities		**7,657**	11,594

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	**As at 30 June 2025 HK$'000 (unaudited)**	As at 31 December 2024 HK$'000 (audited)
Net assets		**7,657**	11,594
Capital and reserves			
Share capital		**24,750**	24,750
Reserves		**(21,177)**	(17,350)
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale		**4,973**	5,081
Equity attributable to owners of the Company		**8,546**	12,481
Non-controlling interests		**(889)**	(887)
Total equity		**7,657**	11,594

Condensed Consolidated Statement of Changes in Equity

	Share capital HK$'000	Share premium HK$'000	Exchange reserves (Note (a)) HK$'000	Other reserves (Note (b)) HK$'000	Amounts recognised in other comprehensive income/ (expense) for assets held HK$'000	Accumulated losses HK$'000	Non-controlling interest HK$'000	Total HK$'000
Balance at 31 December 2023 (audited)	16,500	53,080	(2,417)	1,000	–	(49,482)	(883)	17,798
Loss for the period	–	–	–	–	–	(8,970)	(2)	(8,972)
Other comprehensive income	–	–	4,740	–	–	–	–	4,740
Total comprehensive (expense)/ income	–	–	4,740	–	–	(8,970)	(2)	(4,232)
Balance at 30 June 2024 (unaudited)	16,500	53,080	2,323	1,000	–	(58,452)	(885)	13,566
Balance at 31 December 2024 (audited)	**24,750**	**52,362**	**(2,001)**	**1,000**	**5,081**	**(68,711)**	**(887)**	**11,594**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**1,060**	**(2)**	**1,058**
Other comprehensive expense	**–**	**–**	**(4,887)**	**–**	**(108)**	**–**	**–**	**(4,995)**
Total comprehensive (expense)/ income	**–**	**–**	**(4,887)**	**–**	**(108)**	**1,060**	**(2)**	**(3,937)**
Balance at 30 June 2025 (unaudited)	**24,750**	**52,362**	**(6,888)**	**1,000**	**4,973**	**(67,651)**	**(889)**	**7,657**

Notes:

(a) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(b) The other reserve is according to the reorganisation and pursuant to the Sale and Purchase Agreement of 3 Wells Watch Industries Limited dated 4 August 2017, Precise Time Global Limited acquired 1,000,000 ordinary shares of 3 Wells Watch Industries Limited (representing the entire issued share capital of 3 Wells Watch Industries Limited) from Million Easy Enterprises Limited, and in consideration thereof, Beyond Blossom Investments Limited allotted and issued one share, credited as fully paid, to the Company as directed by Million Easy Enterprises Limited.

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash generated from/(used in) operating activities	**242**	(28,248)
Net cash (used in)/generated from investing activities	**(18)**	7,277
Net cash used in financing activities	**(9,245)**	(74)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(9,021)**	(21,045)
Cash and cash equivalents at beginning of period	**13,645**	10,066
Effect of foreign exchange rates changes	**(2,743)**	5,698
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,881**	(5,281)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**7,150**	627
Bank overdrafts	**(5,269)**	(5,908)
Cash and cash equivalents as stated in the consolidated statements of cash flows	**1,881**	(5,281)

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 12 June 2017 as an exempted company with limited liability under the Companies Act, Cap.22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 3, 5 and 6, 15th Floor, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong. Its ultimate holding company and immediate holding company are Million Easy Enterprises Limited, a company incorporated in the British Virgin Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing ("**ODM**") basis for watch manufacturers, brand owners and watch importers across the global.

The shares of the Company have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 12 July 2018 (the "**Listing Date**").

The unaudited condensed consolidated financial statements are presented in ("**HK$**" or "**HKD**") which is also the functional currency of the Company and its subsidiaries. All values are rounded to the nearest thousand ("**HK$'000**"), except where otherwise indicated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 are prepared in accordance with Hong Kong Financial Reporting Standard ("**HKFRSs**") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institutes of Certified Public Accountants ("**HKICPA**"). The unaudited condensed consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024 (the "**2024 Financial Statements**").

The accounting policies adopted are consistent with those of the financial statement for the year ended 31 December 2024, as described in the Accountant's Report. The adoption of the new and revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision makers ("**CODMs**") for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in the manufacturing and trading business of watches. A single management team reports to the CODMs who comprehensively manages the entire business. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly reviewed by the CODMs of the purpose of allocating resources to segments and assessing their performance. For the six months ended and 30 June 2025, the Group only engaged operating segment in ("**ODM**") Original Design Manufacturer.

No segment assets and liabilities are presented as they were not regularly provided to the CODMs of the purpose of resource allocation and performance assessment.

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue is mainly derived from customers located in India, Brazil and Turkey. The Group's revenue by the geographical location of the customers, determined based on the location to which the Group bills the customers, is detailed below:

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Asia	**26,076**	32,536
Europe	**8,672**	5,251
Pacific Regions	**2,930**	3,032
South America	**16,384**	10,992
	54,062	51,811

4. REVENUE, OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Finished watches	**12,493**	16,568
SKD kits	**39,669**	34,018
Watch parts	**1,900**	1,225
	54,062	51,811
Interest income	**168**	313
Rental income	**413**	192
Exchange gain, net	**2,115**	201
Sundry income	**–**	532
Net loss arising from disposal of financial assets at FVTPL	**(83)**	(1,572)
	2,613	(334)

For the six months ended 30 June 2025

5. GAIN ON DISPOSAL OF SUBSIDIARY

The Company and Creative Profit Investment Limited ("**Vendor A**") entered into Sale and Purchase Agreement A with Purchaser A, pursuant to which Vendor A conditionally agreed to sell, and Billion Riches Limited ("**Purchaser A**"), conditionally agreed to purchase (i) the Sale Equity Interest (representing the entire equity interest and actual paid-up registered capital of the Disposal Company); and (ii) the Sale Loan, at the Disposal A's Consideration.

In addition, under Sale and Purchase Agreement A, upon Disposal A's Completion, the Company shall (i) enter into a deed of set-off with Purchaser A in relation to the set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion; and (ii) procure Shenzhen 3 Wells to enter into a deed of assignment with the Disposal Company and Purchaser A in relation to the assignment of the Sale Loan by Shenzhen 3 Wells to Purchaser A.

Please refer to the announcement of the Company dated 17 December 2024 for further details.

	HK$'000
Disposal A's Consideration	19,660
Investment in disposal Company	(14,250)
Carrying amounts of assets and liabilities of Disposal Company as at 23 June 2024	(3,675)
	1,735
Exchange differences arising on translation of foreign operations	203
Net gain on Disposal A	1,938

	HK$'000
Disposal A's Consideration	19,660
Less: Amount off set by the amount due to Purchaser A as at 23 June 2024	(22,151)
Add: Amount off set by the Sale Loan due from Purchaser A as at 23 June 2024	16,505
	14,014
Less: Cash and cash equivalents held by the Disposal Company as at 23 June 2024	(55)
Net cash inflows from Disposal A	13,959

All the conditions precedent set out in Sale and Purchase Agreement A have been fulfilled and that Disposal A's Completion took place on 23 June 2025.

For the six months ended 30 June 2025

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Depreciation of property, plant and equipment	**2,130**	2,043

7. INCOME TAX

	Six months ended 30 June	
	2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Tax charge comprises:		
Current tax		
– Hong Kong Profits Tax	**95**	115
– PRC EIT	**–**	33
	95	148

8. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 17 December 2024, the Group entered into a sale and purchase agreement with Purchaser A (a connected person of the Company), pursuant to which the Group conditionally agreed to sell, and Purchaser A conditionally agreed to purchase the entire equity interests of Shenzhen Fujing Precision Technology Company Limited* (深圳福井精密科技有限公司), a wholly-owned subsidiary of the Company and the sale loan, at a consideration of RMB18.20 million (equivalent to approximately HK$19.66 million) ("**Disposal A's Consideration**"), which shall be settled by way of set-off of an amount equivalent to Disposal A's Consideration against the outstanding principal amount due to Purchaser A (classified as the loan from a related company).

On the same date, the Group entered into a sale and purchase agreement with Purchaser B (a connected person of the Company), pursuant to which the Group conditionally agreed to sell, and Purchaser B conditionally agreed to purchase the Group's property located in Hong Kong, at a cash consideration of HK$16.40 million.

Both Purchaser A and Purchaser B are entities incorporated in Hong Kong which are owned by the directors of the Company.

All the conditions precedent set out in Sale and Purchase Agreement A have been fulfilled and that Disposal A's Completion took place on 23 June 2025.

For the six months ended 30 June 2025

8. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (Continued)

Assets and liabilities of disposal group classified as held for sale

At 30 June 2025 and 31 December 2024, the assets classified as held for sale and liabilities associated with assets classified as held for sale comprised the following assets and liabilities (after inter-company eliminations):

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
Non-current asset classified as held for sale		
Investment property	**16,100**	16,100
Assets of disposal group classified as held for sale		
Property, plant and equipment	**18,821**	18,495
Cash and bank balances	**55**	307
Other receivables	**3**	–
Less: Amount off set by the amount due to Purchaser A as at 23 June 2024	**(18,879)**	–
Total assets of disposal group held for sale	**–**	18,802
Total assets classified as held for sale	**16,100**	34,902
Liabilities directly associated with assets of disposal group classified as held for sale		
Other payables	**14**	13
Less: Cash and bank balances	**(55)**	–
Less: Other receivables	**(3)**	–
Loan from a related company	**22,151**	23,192
Less: Disposal A's Consideration	**(19,660)**	–
Total liabilities associated with assets classified as held for sale	**2,447**	23,205

For the six months ended 30 June 2025

9. EARNING/(LOSS) PER SHARE

The calculation of earning per share for the six months ended 30 June 2025 and 30 June 2024 are based on the loss for the Period attributable to equity owners of the Company of approximately HK$1.06 million and HK$8.97 million respectively.

Diluted earning per share were same as the basic earning per share as there were no potential dilutive ordinary shares in existence during these Periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately HK$0.13 million (for the six months ended 30 June 2024: HK$0.06 million) for acquisition of property, plant and equipment.

The Group has pledged property, plant and equipment with a carrying amount of approximately HK$8.29 million and HK$8.39 million as at 30 June 2025 and 31 December 2024, respectively, to secure general banking facilities granted to the Group.

11. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
Trade receivables	**26,180**	35,932
Less: allowance for expected credit losses	**(1,773)**	(1,773)
	24,407	34,159
Other receivables	**549**	513
Deposits	**118**	69
Deposits for product design fee	**4,940**	6,140
Prepayments for purchase of raw materials	**6,220**	6,333
Other prepayments	**1,673**	1,115
	13,500	14,170
Less: allowance for ECL	**(57)**	(57)
	13,443	14,113

For the six months ended 30 June 2025

11. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The aged analysis (based on invoice date) of the Group's trade receivables (after provision of impairment) as at the end of each of reporting period is as follows:

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
0 to 30 days	**15,771**	10,700
31 to 60 days	**1,147**	9,043
61 to 90 days	**451**	4,556
Over 90 days	**7,038**	9,860
	24,407	34,159

The Group has policy of allowing its trade customers with credit period normally ranging 30 to 90 days or in accordance with agreed terms of the contracts with customers. However, for certain customers with long-established relationship and good repayment records, a long credit period may be granted more than 90 days.

12. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
Trade payables	**24,422**	22,715
Bills payables	**23,164**	28,700
	47,586	51,415
Salary and bonus payables	**1,366**	2,148
Other payables	**586**	1,061
Accrued expenses	**2,573**	1,781
	4,525	4,990

The credit period on trade payables is generally 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

For the six months ended 30 June 2025

12. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (Continued)

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

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
0 to 30 days	**7,968**	4,742
31 to 60 days	**4,981**	5,676
61 to 90 days	**6,550**	7,131
91 to 120 days	**1,571**	1,442
Over 120 days	**3,352**	3,724
	24,422	22,715

Bills payables are all mature within 30 to 120 days. The following is an aged analysis of bills payables presented based on the date of bills at the end of each reporting period:

	As at 30 June 2025 HK$'000 (unaudited)	As at 31 December 2024 HK$'000 (audited)
0 to 30 days	**4,720**	7,537
31 to 60 days	**6,130**	8,939
61 to 90 days	**4,809**	7,573
91 to 120 days	**7,505**	4,651
	23,164	28,700

Management Discussion and Analysis

BUSINESS REVIEW

Hanvey Group Holdings Limited (the "**Company**"), and its subsidiaries (collectively refer to as the "**Group**") are principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing ("**ODM**") basis for watch manufacturers, brand owners and watch importers across the globe.

The Group derives revenue mainly from the sale of: (i) finished watches, (ii) semi-knocked-down kit, and (iii) watch parts, and provision of assembly services relating to sales of finished watches.

For the six months ended 30 June 2025 (the "**Period**"), the Group's revenue amounted to approximately HK$54.06 million, increased by approximately 4.34% when compared with that of the corresponding period in 2024.

The Hong Kong Trade Development Council ("**HKTDC**") used to conduct a survey every quarter, which involves interviewing 500 local exporters from six major industries that include machinery, electronics, jewellery, watches and clocks, toys and clothing to gauge their business confidence on near-term export prospects. According to the HKTDC's research entitled "HKTDC Export Confidence Index 2Q25: Exporter Confidence Weakens Amid US Tariff Uncertainties" dated 18 June 2025, the HKTDC Export Index (the "**Index**") dropped from 51.6 in the second quarter of 2024 ("**2Q24**") to 49.6 in the second quarter of 2025 ("**2Q25**").

For 2Q25, the findings of the HKTDC Export Confidence Index indicate a significantly improved current performance, as well as a more optimistic business outlook overall. Reassuringly, all of this is underpinned by rising sales, new orders, higher prices and a likely increase in procurement activity. In the timepieces sector the index increased to 52.1 (up 10.8) in 2Q25 from 41.3 in 2Q24.

The Group will continue to adopt a prudent approach, and continue exercising stringent control over operating costs, aiming to enhance operating efficiency and improve profitability.

PROSPECTS

Looking ahead, the business environment in overseas markets remains uncertain, The risk of an economic slowdown or recession in overseas markets and the China-US tariff "trade war" was at its height, and this downbeat outcome was largely expected. Subsequent to the US imposing a 145% tariff on Chinese goods and Mainland China retaliating with 125% tariffs on US goods, a more moderate mood prevailed following the 12 May China-US joint statement committing the parties to working toward a bilateral trade deal.

On 11 June, the two nations agreed on a mutual trade agreement framework in London, although further details have yet to be confirmed. The outcome of this, as well as ongoing developments, will, no doubt, be reflected in the 3Q25 Index figures.

The watch industry faces challenges such as technological innovation, diverse consumer demands, and intensified market competition. At the same time, the solid position of traditional mechanical watches in the luxury market present great opportunities for the industry. With the Group continuing to invest in high-tech development and personalized services, the watch industry is expected to maintain steady growth in the future while further solidifying its commercial value.

For overseas markets, economic growth in Europe and the United States is projected to slow down due to the negative market outlook under high inflation. However, in the Southeast Asian market that we focus on, there is still a huge market demand of automatic mechanical watch and quartz watch. The Group will closely observe the market trend and provide designs that suit the customers and market needs.

We intend to continue to focus on the core business, take efforts in strengthening our product design and development capability to maximise the long term returns of the shareholders of the Company.

FINANCIAL REVIEW

For the six months ended 30 June 2025 (the "**Period**"), the Group recorded a gross profit of approximately HK$18.42 million, representing an increase of approximately 6.47% when compared with that for the same period in 2024, mainly due to the increase of sale. The selling and distribution for the Period remain the similar level as compared with that for the same period in 2024. The administrative expenses decreased by approximately HK$1.96 million or approximately 9.63% from approximately HK$20.36 million for the six months ended 30 June 2024 to approximately HK$18.40 million for the Period. The decrease was mainly due to the decrease in staff cost. The finance costs decreased by approximately HK$1.91 million or approximately 48.72% from approximately HK$3.92 million for the six months ended 30 June 2024 to approximately HK$2.01 million for the Period. The decrease was mainly due to the decrease in bank borrowings.

INTERIM DIVIDENDS

The Board does not declare the payment of an interim dividend for the Period (2024: Nil).

CAPITAL STRUCTURE

There has been no change in the Company's capital structure during the Period. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had cash and bank balances of approximately HK$7.15 million (as at 30 June 2024: HK$0.63 million). The current ratios (current assets divided by current liabilities) of the Group were approximately 0.88 times and 1.01 times as at 30 June 2025 and 30 June 2024 respectively.

The Directors are of the view that at the date of this interim report, the Group's financial resources are sufficient to support its business and operations.

As at 30 June 2025, the gearing ratio of the Group calculated by total borrowings (including bills payables, bank overdrafts, bank borrowings, liabilities associated with assets classified as held for sale and lease liabilities) less cash and bank balances as a percentage of total equity was approximately 969.31% (30 June 2024: 730.06%).

COMMITMENTS

The Company has entered into a non-legally binding memorandum of understanding (the "**MOU**") with Yangshuo County Xingyuan Lead-Zinc Mining Co. Ltd.* (陽朔縣興源鉛鋅礦有限責任公司) in relation to the acquisition of a nonferrous metal mining business. Please refer to the announcement of the Company dated 3 March 2025 for further details.

PLEDGE OF ASSETS

At the end of the Period, the following assets were pledged to bank to secure the Group's banking facilities:

	HK$'000
Property, plant and equipment	8,285
Financial assets at fair value through profit or loss	19,274
Investment properties	25,288
Bank deposits	6,148
	58,995

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, we had a total of 105 employees (30 June 2024: 102). The Company determines employees' salaries based on each employee's qualifications, position and seniority. Our Group has established an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

FOREIGN EXCHANGE EXPOSURE

The Group's purchases are denominated in Hong Kong Dollars. The sales of the Group are predominantly in US Dollars, Renminbi and Hong Kong Dollars. The Group will review and monitor from time to time the risk relating to foreign exchanges.

During the Period, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Company and Cheer China Group Holdings Limited ("**Vendor B**") entered into a Sale and Purchase Agreement B with Multiple Yield Limited ("**Purchaser B**"), pursuant to which Vendor B conditionally agreed to sell, and Purchaser B conditionally agreed to purchase Property B at the Disposal B's Consideration.

Please refer to the announcement of the Company dated 17 December 2024 for further details.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares of the Company:

		Long position	
Name of Director	**Capacity/Nature of Interest**	**Number of ordinary shares interested**	**Percentage of total number of shares**
Mr. Cheuk Sin Cheong, Clement ("**Mr. Cheuk**") *(Note)*	Interest in controlled corporation	126,225,000	51.00%
Ms. Au Corona Ching Mei M.H. ("**Mrs. Cheuk**") *(Note)*	Interest in controlled corporation	126,225,000	51.00%

Note: 126,225,000 shares of the Company are registered in the name of Million Easy Enterprises Ltd. ("**Million Easy**"), the entire issued share capital of which are legally and beneficially owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Under the SFO, both Mr. Cheuk and Mrs. Cheuk are deemed to be interested in all the shares of the Company held by Million Easy.

Long position in the ordinary shares of associated corporation:

			Long position	
Name of Director	**Name of associated Corporation**	**Capacity/ Nature of Interest**	**Number of ordinary shares interested**	**Percentage of total number of shares**
Mr. Cheuk	Million Easy	Beneficial Interest	1	50%
Mrs. Cheuk	Million Easy	Beneficial Interest	1	50%

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

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

As at 30 June 2025, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

		Long position	
Name	**Capacity/Nature of Interest**	**Number of ordinary shares interested**	**Percentage of total number of shares**
Million Easy	Beneficial Interest	126,225,000	51.00%

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other persons/entities (other than a Director and chief executive of the Company) who had, or were deemed or taken to have any interests or short position in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

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

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, the Group did not have other plans for material investments or capital assets for the coming year.

SHARE OPTION SCHEME

The Company has a share option scheme (the "**Share Option Scheme**") which was approved and adopted by the shareholders of the Company (the "**Shareholder(s)**") by way of written resolutions passed on 20 June 2018. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date it was adopted. The purpose of the Share Option Scheme is to provide incentives or rewards to participants for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group and any entity in which our Group holds any equity interest ("**Invested Entity**").

Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares in issue at any point in time, without prior approval from the Company's shareholders. The Company may not grant any options if the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other schemes exceeds 30% of the Shares in issue from time to time. Options granted to substantial shareholders or Independent Non-executive Directors of the Company in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders. The option will be offered for acceptance for a period of not less than five trading days from the date on which the option is granted. Upon acceptance of the option, Directors and eligible employees of the Company shall pay HK$1.00 to the Company by way of consideration for the grant.

Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the nominal value of the Company's share; (ii) the closing price of the Shares on the date of grant; and (iii) the average closing price of the Shares for the five business days immediately preceding the date of grant. No share options have been granted since the adoption of the Scheme on 20 June 2018. As at 30 June 2025, the Company has no outstanding share option under the Share Option Scheme. The total number of shares available for grant under the Share Option Scheme as at 1 January 2025 and 30 June 2025 were 100,000,000 shares. As at the date of this interim report, the total number of shares of the Company available for issue under the Share Option Scheme was 100,000,000 shares, representing 10% of the issued shares of the Company.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the Period.

CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the GEM Listing Rules throughout the Period, except for the deviation as specified and explained below with considered reasons for such deviations.

Code Provision C.2.1 of the Corporate Governance Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Cheuk Sin Cheong Clement is currently the chairman of our Board and the chief executive officer of our Company. In view of the fact that Mr. Cheuk has been assuming the day-to-day responsibilities in operating and managing our Group since 1986 and the rapid development of our Group, the Board believes that with the support of Mr. Cheuk's extensive experience and knowledge in the business of the Group, vesting the roles of both the Chairman of our Board and the Chief Executive Officer of our Company in Mr. Cheuk strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to our Group.

The Directors consider that the deviation from Code Provision C.2.1 of the Corporate Governance Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for our Group's operations, and sufficient checks and balances are in place.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, the Company confirms that the Directors complied with required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the Period.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 of the GEM Listing Rules and the paragraph D.3.3 and A.2.1 of the Corporate Governance Code. The members of the Audit Committee comprise Mr. Yu Sau Ning Homer M.H., Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam. The chairperson of the Audit Committee is Mr. Yu Sau Ning Homer M.H..

The primary duties of the Audit Committee are mainly to make recommendations to our Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures of our Group.

The financial information in this interim report has not been audited by the Auditor of the Company, but the Audit Committee has reviewed the unaudited consolidated results of the Group for the Period, which the Audit Committee is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules, and that adequate disclosures have been made.

FORWARD LOOKING STATEMENTS

This interim report contains forward-looking statements in relation to financial conditions, results of operation and business of the Group. These statements are based on numerous assumptions regarding our Group's present and future business strategy and the environment in which our Group will operate in the future. These forward-looking statements which reflect our Group's views with respect to future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions.

By order of the Board
HANVEY GROUP HOLDINGS LIMITED
Cheuk Sin Cheong, Clement
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 August 2025

As at the date of this interim report, the Executive Directors are Mr. Cheuk Sin Cheong Clement and Ms. Au Corona Ching Mei M.H.; and the Independent Non-executive Directors are Mr. Yu Sau Ning Homer M.H., Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam.

HANVEY GROUP HOLDINGS LIMITED

恒偉集團控股有限公司